

FILE DESCRIPTION

BUREAU FILE

ELIZABETH T.
SUBJECT BENTLEY

FILE NO. 61-6328

SECTION NO. 3

SERIALS 21

THRU

90

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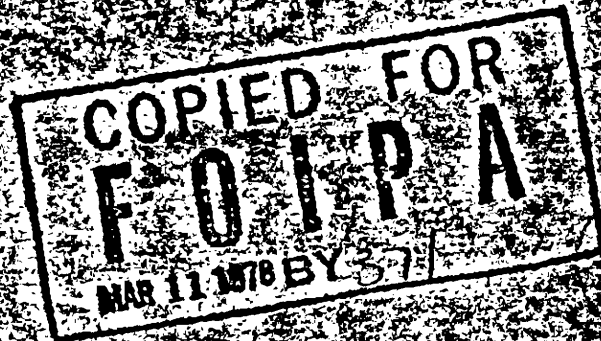
U. S. Department of Justice

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FEDERAL BUREAU

of

INVESTIGATION



USE CARE IN HANDLING THIS FILE

Transfer-Call 421

SECTION 13
SERIALS 421-90

File No: 61-6328Re: BENTLEY, ELIZABETH T.

REVIEWED BY _____

Date: 2/78
(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
21	11/15/44	LETTER NY TO HQ	1	1	
21	12/13/44	LETTER HQ TO NY	1	1	
22	1/4/45	LETTER NY TO HQ	1	1	CONDITION - BEST COPY AVAILABLE DOCUMENT IN VERY POOR
22	1/13/45	LETTER HQ TO NY	1	1	
23	1/12/45	LETTER STRICKLAND TO LADD	1	1	
24	1/27/45	MEMO ALDEN TO LADD	1	0	REFERRED
24	2/8/45	LETTER HQ TO NY	1	0	REFERRED
25	3/28/45	REPORT NY TO HQ - w/COPIES	11/22	33	22 N.C.
26	7/12/45	REPORT - NY TO NY - w/COPY	7/14	21	14 N.C.
26	8/14/45	LETTER HQ TO GOV. AGENCY	1	1	
27	7/31/45	LETTER FITCH TO LADD	1	0	REFERRED
27	8/8/45	LETTER HQ TO GOV. AGENCY	2	2	

File No: 61-6328Re: ELIZABETH T. BENTLEY

REVIEWED BY

Date: 2/78
(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
28	-	CHANGED TO MEMO	1	1	65-56402-8X-SILVERMASTER FILE
29	-	" " "	1	1	65-56402-5-SILVERMASTER FILE
30	-	" " "	0	0	65-56402-10-SILVERMASTER FILE
31	-	" " "	1	1	65-56402-90X-SILVERMASTER
32	-	" " "	0	0	65-56402-90X1-SILVERMASTER
33	-	12ATION SKIPPED DURING SERIAL	0	0	
34	-	CHANGED TO MEMO	1	1	65-56402-21-SILVERMASTER
35	-	" "	0	0	65-56402-35-SILVERMASTER
36	-	" "	0	0	65-56402-22-SILVERMASTER
37	-	CHANGED TO MEMO	1	1	65-56402-26X-SILVERMASTER
38	-	CHANGED TO MEMO	1	1	65-56402-23-SILVERMASTER
39	-	" "	1	1	65-56402-108X2-SILVERMASTER

File No: 61-6328Re: ELIZABETH T. BENTLEY

REVIEWED BY _____

Date: 2/78
(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
40	-	CHANGED TO MEMO	1	1	65-56402-37-SILVER MASTER
41	-	" "	0	0	65-56402-27- " "
42	-	" "	0	0	65-56402-36- " "
43	-	" "	0	0	65-56402-38- " "
44	-	" "	0	0	65-56402-41- " "
45	-	" "	0	0	65-56402-18- " "
46	-	" "	0	0	65-56402-58- " "
47	-	" "	1	1	65-56402-108X3- " "
48	-	" "	1	1	65-56402-40X- " "
49	-	" "	1	1	65-56402-90X2- " "
50	-	" "	0	0	65-56402-108X7 " "
51	-	" "	0	0	65-56402-108X1- " "

File No: 61-6328Re: ELIZABETH T. BENTLEY

REVIEWED BY _____

Date: 2/78
(month year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
52	-	CHANGED TO MEMO	1	1	65-56402-26X1 - SILVER MASTER
53	-	" "	1	1	65-56402-108 - SILVER MASTER
54	-	" "	1	1	65-56402-26X2 " "
55	-	" "	1	1	65-56402-108X " "
56	-	" "	1	1	65-56402-84X " "
57	-	" "	0	0	65-56402-69X " "
58	-	" "	0	0	65-56402-69X1 " "
59	-	" "	1	1	65-56402-13X " "
60	1/29/46	LETTER STRICKLAND TO LADD	1	1	
61	1/31/46	LABORATORY REPORT	2	2	
62	2/21/46	LETTER TO 3RD AGENCY	7	7	
63	6/24/46	LETTER NY TO HQ	1	1	

File No: _____

Re: _____

Date: _____
(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
64	12/16/46	INTERNAL MEMO	3	3	
NR	12/1/46	NEWS ARTICLE	1	1	
65	2/12/47	BLIND MEMO	4	4	CLEAR COPY NOT POSSIBLE DOCUMENT HAS BEEN LAMINATED
66	2/4/47	LETTER HQ TO AG	1	1	
67	2/11/47	LETTER AG TO HQ	1	0	REFERRED
67OUT	3/25/47	LETTER HQ TO NY	1	1	
68	10/8/47	LETTER HQ TO NY	2	0	REFERRED
69	10/21/47	LETTER 3RD PARTY	1	1	
69OUT	10/27/47	LETTER HQ TO 3RD PARTY	1	1	
70	11/3/47	LETTER HQ TO NY	2	2	
71	-	CHANGED TO MEMO	1	1	
72	8/2/48	LETTER NY TO HQ	1	1	

File No: _____

Re: _____

Date: _____
(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
72X	8/12/48	(R) 3RD. AGENCY DOCUMENT	1	0	REFERRED
73	8/20/48	W/ ENCL. LETTER LADD TO FLETCHER	1/5	1	Enclosure REFERRED
73out	8/24/48	LETTER HQ TO WFO	1	0	Referred
74	9/7/48	TELETYPE NY TO HQ	2	2	
74	9/8/48	TELETYPE HQ TO NY	1	1	
75	9/12/48	LETTER LADD TO HOLMES	1	1	
76	9/11/48	TELETYPE NY TO HQ	2	2	
77	9/11/48	LETTER HQ TO WFO	1	1	
78	2/26/53	CHANGED TO MEMO	1	1	134-435-1
79	8/30/48	LETTER AG TO HQ	2	2	
80	8/31/48	LETTER LAUGHLIN TO FLETCHER	1	1	
81	9/3/48	LETTER NY TO HQ	34	34	

File No: 61-6328Re: ELIZABETH T. BENTLEY

REVIEWED BY

Date: 2/58
(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
82	8/27/48	LETTER WFO TO HQ	1	1	
83	8/31/48	LETTER HQ TO NY	3	3	
84	8/31/48	LETTER HQ TO NY	1	1	
85	9/1/48	REPORT NH TO HQ	18	0	REFERRED
86	9/2/48	RADIOGRAM	1	1	
87	9/3/48	REPORT WFO TO HQ	30	0	REFERRED
88	9/7/48	LETTER HQ TO AG	1	1	
89	9/9/48	LETTER LADD TO HQ	1	1	
90	9/10/48	LETTER LADD TO WHITSON	1	1	

HKG:DS
97-13

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: November 15, 1944

FROM : SAC, NEW YORK

SUBJECT: WORLD TOURISTS, INCORPORATED;
U. S. SERVICE AND SHIPPING CORPORATION;
JOHN HAZARD REYNOLDS, with aliases;
ELIZABETH TERRILL BENTLEY, with aliases;
MAX L. SPECTOR, with alias.
INTERNAL SECURITY - R.

58421

Reference is made to the report of Special Agent Herbert K. Garges, dated October 18, 1944 at New York City regarding the above captioned matter.

Information has been received from a highly confidential source, having access to the desk of WILLIAM WEINER in the office of the Workers Library Publications, Incorporated, 832 Broadway, New York City, that all parcel service to the U.S.S.R. is going to be taken over by one agency, namely the INTER-CONTINENTAL PARCEL SERVICE. The information also indicates dissatisfaction with the way this business has been handled by WORLD TOURISTS, INCORPORATED and also indicates a possible fraudulent handling by WORLD TOURISTS, INCORPORATED.

The above information has not as yet been verified. You will be advised of further developments by this office.

RECORDED
&
INDEXED

61-6328-24

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SAC, New York

December 13, 1944

John Edgar Hoover, Director - Federal Bureau of Investigation

WORLD TOURISTS, INCORPORATED;
 U. S. SERVICE AND SHIPPING CORPORATION;
 JOHN HAZARD REYNOLDS, with aliases; et al;
 INTERNAL SECURITY - R

Reference is made to your memorandum dated November 15, 1944, in the above entitled matter, reflecting information to the effect that arrangements are being effected for all parcel service to the U.S.S.R. to be taken over by one agency, namely the Inter-Continental Parcel Service because of dissatisfaction with the way this business has been handled by World Tourists, Incorporated.

In this connection, you are informed that your office upon consummation of such arrangements as aforementioned should undertake a discreet preliminary investigation concerning the background and activities of the Inter-Continental Parcel Service and also determine the identity and background of its officials.

COMMUNICATIONS SECTION

MAILED 43

★ DEC 13 1944 P.M.

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

Mr. Tolson
 Mr. E. A. Tamm
 Mr. Clegg
 Mr. Glavin
 Mr. Ladd
 Mr. Nichols
 Mr. Rosen
 Mr. Tracy
 Mr. Carson
 Mr. Coffey
 Mr. Hendon
 Mr. McGuire
 Mr. Mumford
 Mr. Quinn Tamm
 Mr. Nease
 Miss Gandy

7 DEC 18 1944 3:31

PSH
cat
JS

NY 97-13

In addition, a modest advertising campaign would be outlined covering the foreign language press and certain trade union papers.

We undertake to establish a warehouse where all the necessary merchandise would be stocked. Here, parcels would be packed and shipped. Only standard brands of articles would be carried (with very few exceptions) - so that the public would readily see that the prices charged are modest and correct.

Since purchases by us would be made on a wholesale basis, we would naturally be in a position to effect savings, which would be shared by the sender. We might point out that the present system of figuring insurance on parcels, is out of all proportion. For instance, the U.T. circular, lists "War Risk Ins." - 43% (optional), while the actual insurance rate is about 15%.

Due to existing restrictions certain items cannot be shipped out of this country, however, with the gradual lifting of restrictions, additional parcels will be announced, or included in our catalogue. The office would receive all mail orders and correspond with the public. In this office there will be a large sales room, where complete samples of all standard parcels would be on display and direct orders taken. This office should be adjoining the warehouse for the sake of efficiency and economy.

We undertake to pay all the expenses of the office and warehouse, as well as everything else connected with the proper organization of this enterprise, and pay you 50% of the profits.

It is our belief that the organization of the parcel business in accordance with our plan, will enable us to properly serve thousands of senders in the USA and other countries in the Americas. Persons outside of the U.S. are at present obliged to order parcels through certain countries such as Iran or Turkey, entailing cumbersome difficulties.

Confidential Informant T-1 also furnished a copy of the following memorandum signed by "H.R.":

NY 97-13

PARCELS TO THE U.S.S.R.

1. The past as well as the present handling of parcels to the S. U. is, in my opinion, entirely inadequate and unsatisfactory from many angles.

Firstly: - the existing method contains loopholes whereby the sender can "get away" with paying less duty on articles by presenting fictitious bills.

Secondly: - it is cumbersome physically - the sender is required to purchase the articles, to bring them to the office and go through the procedure of calculation, weighing, etc.

Thirdly: - senders outside of New York City are handicapped additionally in many respects, which are well known.

My proposal briefly, is to simplify the whole procedure and to systematize the sending of parcels whereby people all over the continent will find it easy and simple and will therefore really be able to help their relatives and friends who will be in need of help for some time to come.

I furthermore feel that if the following plan were outlined to the proper Soviet authorities, it would be accepted without any trouble.

11. From personal experience, I know that persons on this continent, with few exceptions, send standard articles, which could be listed in about 30-40 categories.

My proposal is, to establish a warehouse, at first on a modest basis and then to increase it gradually, to include an ever greater number of articles concerned; to publish a booklet, the first issue to be in about 50,000 copies, describing this new procedure and listing about 20 kinds of parcels, these to

NY 97-13

be divided into clothes, food, etc. All wearing apparel like underwear, socks, stockings, shoes, shirts, etc. are to be of a well-known national brand, with stable prices. Yard goods, whether cotton, rayon or wool, are to be of a minimum number of qualities, colors, likewise, etc. All these articles are to be duly described in the booklet. Suitings and coatings shall also be included, as well as such incidentals as needles, thread, linings and buttons.

Food parcels present no problem, since all items are to be of a standard brand.

Example: Parcel No. 10

3-1/2 yds. all wool cloth man's suit at \$3.00	\$10.50
Quality	Color
Lining, strong rayon, 2-1/2 yds. at \$1.00.....	2.50
Needles, buttons .....	.35
1 pr. Men's Shoes, Size 9-1/2, "Tom McCann"	4.40
2 Cotton Unionsuits, Size 42 at \$1.75	3.50
Total Merchandise	21.25
Duty	16.45
License	1.50
Shipping and Insurance	3.00
Miscellaneous (service)	1.00
Total	<u>43.20</u>

Example: Parcel No. 15

5 lbs. Sugar	\$.50
2 " Coffee .....	.60
2 " Rice .....	.20
1 " Tea	1.40
2 " Matzo's .....	.30
	3.00
Duty	1.00
License	1.50
Shipping, Insurance....	2.50
Misc. (service).....	1.00
TOTAL	<u>\$ 9.00</u>

NY 97-13

"III.

The adoption of the above plan will enable banks, landmanschaften, travel agents, etc. to handle parcels to the S.U. in the same manner as handling money drafts and transfers. Their fee is to be \$1.00 on parcels up to \$50. and \$1.50 on parcels over that amount.

It is, of course, obvious, that the greatest proportion of parcels would be handled directly.

People in Canada, Mexico, Cuba, Argentine, as well as in all other countries in South America, could be serviced, since all orders would be specified by number, as described in the folder or catalog.

The Office would daily, upon receipt of money (checks or money order) prepare the license, labels and forward same to the warehouse, accompanied by a "certain" form (this form to be outlined.)

The warehouse would fill the orders, check and pack and paste on the labels.

Everything is to be standardized.

A part of this "certain" form, is to be returned to the office after the order will have been filled. The office will then correspond with the sender, banks, etc. as at present.

/s/ H. R.

Confidential Informant T-2 furnished a copy of a memorandum regarding the "Matter of Raisin (J. N. Golos)". GOLOS, who is now deceased, was formerly president of WORLD TOURISTS INCORPORATED. The following are excerpts from this memorandum:

Raisin, a native of Russia, was naturalized in the United States in 1915. He commenced to live with Colia Raisin in or about 1918. A child, Milton, was born on March 17, 1923 in the United States. Raisin with his wife and child traveled on an American passport to the Soviet Union in 1924. The wife

NY 97-13

and son went to the Soviet Union in 1936 and remained there continuously ever since. The son is serving in the military service of the USSR and is at present wounded and hors-de-combat, his address unknown to us. The last known address of Mrs. Raisin is Moscow, Speridonovskaja 24/2, Apt. 161.

The nationality of Mrs. Raisin is thus an issue. Her continued residence abroad would have forfeited her American citizenship unless such residence was on account of ill health. Cables received in 1941 and 1942, we are informed, indicated that Mrs. Raisin was in ill-health.

The estate will consist of 30 shares of stock in World Tourists, Inc., and some articles of personal property consisting of items of furniture and some books now stored in a warehouse. It is to be borne in mind that the Bowery Savings Bank account (\$4019.17) and the U.S. War Bonds (\$3,000 face amount), although nominally property of the deceased are and have been listed as assets in the corporation balance sheets.

The corporation continues to function since it was an entity separate and apart from the deceased. By-laws usually provided for the filling of a vacancy caused by death in the Board of Directors by a vote of the majority of the remaining Directors. The successor Director holds office for the unexpired portion of office of the deceased Director until the election of a successor at a meeting of the stockholders. A vacancy among the corporate officers may likewise be filled until the next regular election.

In the absence of misappropriation, waste or other misfeasance no responsibility would attend the officers and directors of the corporation who have been functioning or who will continue to function in the corporation.

A review of the files in the New York Office and contact with confidential informants have failed to establish the fact that the INTERCONTINENT PARCEL SERVICE ever actually came into being. It has been

NY 97-13

determined that individuals who contact the Russian Consulate here in New York, regarding the sending of parcels to Russia, are advised to contact the U. S. SERVICE AND SHIPPING CORPORATION who would handle it for them. No information has been received that WORLD TOURISTS INCORPORATED has been replaced by another organization.

P E N E I R G

NY 97-13

UNDEVELOPED LEADS

NEW YORK FIELD DIVISION

At New York City:

Will continue to follow and report the activities of the
subject organization.

NY 97-13

CONFIDENTIAL INFORMANTS

Confidential informants mentioned in the report of Special Agent Herbert K. Gargos, dated March 28, 1945 at New York, New York, are as follows:

T-1

A highly confidential source having access to the offices of the Workers Library Publishers, Inc., 832 Broadway, New York City and reporting to Special Agents Russell S. Garner and William Norton and A. C. Carden on October 12, 1944.

T-2

Highly confidential and reliable source having knowledge of the affairs of New Century Publishers, Inc., JOSEPH FIELDS and WILLIAM WALKER at their offices located at 832 Broadway, New York City and reporting on February 17, 1945 to Special Agents William F. Norton, Joseph J. Helan and A. C. Carden.

Office Memorandum • UNITED STATES GOVERNMENT

HRO:TW
97-13

TO :

Director, FBI

DATE: January 4, 1945

FROM :

SAC, New York

58420

SUBJECT:

WORLD TOURISTS, INCORPORATED
 U. S. SERVICE & SHIPPING CORPORATION;
 JOHN HAZARD REYNOLDS, with aliases;
 ELIZABETH TERRILL BENTLEY, with aliases;
 MAX L. ASPECTOR; with aliases;
 INTERNAL SECURITY - R

Reference is made to the report of Special Agent Herbert E. Garges dated October 18, 1944 at New York in the above-captioned matter.

JOHN HAZARD REYNOLDS has been ascertained to be the principal stockholder of U. S. Service & Shipping Corporation and holds the position of President of said corporation. As reported, World Tourists, Incorporated is a subsidiary of U. S. Service and Shipping Corporation, who has as its principal, INTOURIST, USSR Travel Agency.

A review of the files of the New York Office fails to reflect Communist or un-American activities on the part of REYNOLDS. He enjoys a reputation and presently is on active duty with the United States Army in Finance Division, holding the rank of Major. It has been ascertained that he is presently located in New York City in this capacity.

It is requested that the Bureau files be reviewed regarding JOHN HAZARD REYNOLDS and this office be advised of any derogatory information contained therein.

It is the opinion of this office that a great amount of valuable information could be obtained by interviewing REYNOLDS. Unless advised to the contrary, REYNOLDS will be interviewed on or about February 1, 1945. Proper clearance with Army authorities will be made.

RECORDED

61-632822

27 JAN 17 1945

B1 JAN 27 1945

JH:MIP

61-6328 - 22

RECORDED SAC, New York

January 13, 1945

John Edgar Hoover - Director, Federal Bureau of Investigation

WORLD TOURISTS, INCORPORATED;
U. S. SERVICE & SHIPPING CORPORATION;
JOHN HAZARD REYNOLDS, with aliases; et al;
INTERNAL SECURITY - R

Reference is made to your memorandum dated January 4, 1945, in the above entitled matter informing that your office contemplates interviewing John Hazard Reynolds, President of the U. S. Service & Shipping Corporation in the event the Bureau does not interpose any objections prior to February 1, 1945.

Mr. Tolson..... In this connection you are informed that the Bureau files indicate
Mr. E. A. Tamm..... that on two different occasions during 1941, the Amtorg Trading Corporation
Mr. Clegg..... made inquiries of Dun and Bradstreet concerning John Hazard Reynolds. These
Mr. Glavin..... inquiries were made at the time the German-Russian Non-Aggression Pact was in
Mr. Ladd..... existence. If your office contemplates interviewing this individual merely
Mr. Nichols..... for the purpose of obtaining additional information with regard to the above-
Mr. Rosen..... entitled organizations only, it is the opinion of the Bureau that this interview
Mr. Tracy..... is not warranted at the present time because to do so will probably indicate
Mr. Carson..... to Reynolds that this Bureau has been investigating the activities of his or-
Mr. Coffey..... ganization. However, the Bureau is directing a letter to G-2 at Washington,
Mr. Hendon..... D. C., for the purpose of obtaining any additional data with regard to Reynolds
Mr. McGuire..... which might be in their files. Your office will be accordingly advised.

Mr. Mumford.....

Mr. Quinn Tamm.....

Mr. Nease.....

Miss Gandy.....

JAN 13 1945 P.M.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

61 JAN 27 1945

Office Memorandum

UNITED STATES GOVERNMENT

JH:MTP

61-6328

TO

MR. D. M. LADD

FROM

J. C. STRICKLAND

DATE: January 12, 1945

SUBJECT

WORLD TOURISTS, INCORPORATED;
U. S. SERVICE & SHIPPING CORPORATION;
JOHN HAZARD REYNOLDS, with aliases; et al;
INTERNAL SECURITY - R

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Coffey
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Mohr
- Mr. Carson
- Mr. Hendon
- Mr. Mumford
- Mr. Jones
- Mr. Quinn Tamm
- Tele. Room
- Mr. Nease
- Miss Beahm
- Miss Gandy

During the course of the investigation by this Bureau with regard to the above-entitled organizations and individuals, it has been determined that John Hazard Reynolds is the principal stockholder of the U. S. Service & Shipping Corporation and holds the position of President of said corporation. This corporation is primarily engaged in the shipping of food packages on behalf of individuals in the United States to the U.S.S.R.

As reported, World Tourists, Incorporated is a subsidiary of the U. S. Service & Shipping Corporation which has as its principal, Intourist, U.S.S.R. Travel Agency. Further investigation indicates that Hazard is presently on active duty with the United States Army in the Finance Division holding the rank of Major, and is presently located in New York City in this capacity.

ACTION RECOMMENDED:

EX-60

RECORDED

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61-6328-23

It is requested that the Liaison Division through G-2 endeavor to obtain any additional data with respect to the background activities of John Hazard Reynolds through the medium of his organization, U. S. Service & Shipping Corporation.

mem - Mr. Ladd

2 MAR 8 1945 1/27/45

[Handwritten signature]

FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **NEW YORK, N. Y.**

NY FILE NO. **97-13** BHB

REPORT MADE AT NEW YORK, NEW YORK	DATE WHEN MADE 3/28/45	PERIOD FOR WHICH MADE 10/12/44; 2/17/45	REPORT MADE BY HERBERT K. GARGES
WORLD TOURISTS, INCORPORATED; U. S. SERVICE & SHIPPING CORPORATION; JOHN HARZARD REYNOLDS was.; ELIZABETH TERRILL BENTLEY, was.; MAX L. SPECTOR, was.			CHARACTER OF CASE INTERNAL SECURITY - R

SYNOPSIS OF FACTS:

Plans were furnished by confidential informant for the organization of INTER-CONTINENT PARCEL SERVICE being considered as a successor to WORLD TOURISTS, INCORPORATED, for the handling of all parcel shipments to U.S.S.R. Further information indicates dissatisfaction with way this business handled by WORLD TOURISTS, INCORPORATED. No information received indicating actual execution of above plan.

*1cc State
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9-1-45
alc*

- P -

REFERENCES:

Bureau File #61-6328
Report of Special Agent Herbert K. Garges, dated October 18, 1944, at New York, New York.

DETAILS:

The following information was furnished to the writer by Confidential Informant T-1. A rough draft of a pamphlet, handwritten, furnished by this informant contained the following:

" Intercontinent
Parcel Service
7012 - Fifth Ave. New York, N. Y.
Sole Licensed Agency
for shipment of Parcels
To the
U. S. S. R.
General Information and Prices

To - Day - The Intercontinent Parcel Service
is the Sole agency which can ship parcels of your choice.

APPROVED AND FORWARDED: <i>CC Con...</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
COPIES OF THIS REPORT 5 - Bureau 2 - New York 27 1045		61-6328-25	RECORDED & INDEXED 157

NY 97-13

direct to the Soviet Union under special licence.

For your convenience and savings, the Intercontinent Parcel Service has provided a complete selection of Practicable Merchandise consisting of wearing apparel, Fastwear, Foodstuffs, Household linens, soaps, Medicinal supplies, etc.

Your parcel will consist of nationally known brands. All merchandise is Guaranteed as to quality and durability.

.....
..... You can depend on Intercontinent Parcel Service. All our merchandise is of High Grade and Delivery is fully guaranteed and Insured. .

Each parcel is expertly wrapped, packed and addressed so that Safe and Prompt delivery is Assured.

All parcels are fully covered by Insurance. We will replace, at no additional cost, any parcel lost, or refund your money, should parcel not be delivered. No Charges, of any kind, are paid by the recipient of parcels.

Parcels are limited to (11) pounds gross each, however you may send as many parcels as you wish to an individual.

When ordering your parcel be sure to give the full name and correct address of the recipient.

Shipping Charges

There is a shipping fee of \$3.75 per parcel. This covers delivery of your parcel to its final destination. Add this fee to the total cost of your parcel.

There are no packing charges. Today, due to the various government regulations, not everything you wish to send can be shipped. These regulations change from time to time, and as the restrictions are lifted more and more items will be permitted to be shipped out of the USA.

We will, therefore, add such items to our catalogue

NY 97-13

of standard parcels, as soon as possible.

The standard parcels listed are based on the needs of the persons in the U.S.S.R.

Use the order blank attached. Send in your order for parcels you select - and know that we will ship exactly what you ordered. A duplicate of your order will be enclosed with each parcel - so that the recipient will know exactly, through your advice, what he is to receive.

This is your additional guarantee that your parcel has reached its destination safely and exactly as you ordered.

Should you desire to send any items not listed in our catalogue write us about it, giving specific information as to what is desired. We will advise you, within 48 hours, whether it is permissible to ship the article and submit prices and other pertinent information.

Confidential Informant T-1 also furnished the following plan for the reorganization of the parcel shipment business:

P L A N

Supplementing memorandum submitted to you in February, we are attaching herewith the draft of a folder or catalogue outlining procedure and listing - standard parcels. The plan is to mail out about 50,000 copies of the folder to:

- a) Previous sends of parcels
- b) Landsmanschaften
- c) Banks, travel agencies, etc.

A form letter would accompany the folder, explaining the new setup briefly and point out the service these organizations would be rendering their members and clients by recommending our standard parcels. A standard commission fee of about \$1.50 to \$2.50 per parcel would be paid to banks, agents, etc.

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" In addition, a modest advertising campaign would be outlined covering the foreign language press and certain trade union papers.

We undertake to establish a warehouse where all the necessary merchandise would be stocked. Here, parcels would be packed and shipped. Only standard brands of articles would be carried (with very few exceptions) - so that the public would readily see that the prices charged are modest and correct.

Since purchases by us would be made on a wholesale basis, we would naturally be in a position to effect savings, which would be shared by the sender. We might point out that the present system of figuring insurance on parcels, is out of all proportion. For instance, the W.T. circular, lists "War Risk Ins." - 43% (optional), while the actual insurance rate is about 15%.

Due to existing restrictions certain items cannot be shipped out of this country, however, with the gradual lifting of restrictions, additional parcels will be announced, or included in our catalogue. The office would receive all mail orders and correspond with the public. In this office there will be a large sales room, where complete samples of all standard parcels would be on display and direct orders taken. This office should be adjoining the warehouse for the sake of efficiency and economy.

We undertake to pay all the expenses of the office and warehouse, as well as everything else connected with the proper organization of this enterprise, and pay you 50% of the profits.

It is our belief that the organization of the parcel business in accordance with our plan, will enable us to properly serve thousands of senders in the USA and other countries in the Americas. Persons outside of the U.S. are at present obliged to order parcels through certain countries such as Iran or Turkey, entailing cumbersome difficulties. "

Confidential Informant T-1 also furnished a copy of the following memorandum signed by "H.R.":

NY 97-13

PARCELS TO THE U.S.S.R.

1. The past as well as the present handling of parcels to the S. U. is, in my opinion, entirely inadequate and unsatisfactory from many angles.

Firstly: - the existing method contains loopholes whereby the sender can "get away" with paying less duty on articles by presenting fictitious bills.

Secondly: - it is cumbersome physically - the sender is required to purchase the articles, to bring them to the office and go through the procedure of calculation, weighing, etc.

Thirdly: - senders outside of New York City are handicapped additionally in many respects, which are well known.

My proposal briefly, is to simplify the whole procedure and to systematize the sending of parcels whereby people all over the continent will find it easy and simple and will therefore really be able to help their relatives and friends who will be in need of help for some time to come.

I furthermore feel that if the following plan were outlined to the proper Soviet authorities, it would be accepted without any trouble.

11. From personal experience, I know that persons on this continent, with few exceptions, send standard articles, which could be listed in about 30-40 categories.

My proposal is, to establish a warehouse, at first on a modest basis and then to increase it gradually, to include an ever greater number of articles concerned; to publish a booklet, the first issue to be in about 50,000 copies, describing this new procedure and listing about 20 kinds of parcels, these to

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" be divided into clothes, food, etc. All wearing apparel like underwear, socks, stockings, shoes, shirts, etc. are to be of a well-known national brand, with stable prices, Yard goods, whether cotton, rayon or wool, are to be of a minimum number of qualities, colors, likewise, etc. All these articles are to be duly described in the booklet. Suitings and coatings shall also be included, as well as such incidentals as needles, thread, linings and buttons.

Food parcels present no problem, since all items are to be of a standard brand.

Example: Parcel No. 10

3-1/2 yds. all wool cloth man's suit at \$3.00	\$10.50
Quality	Color
Lining, strong rayon, 2-1/2 yds. at \$1.00.....	2.50
Needles, buttons .....	.35
1 pr. Men's Shoes, Size 9-1/2, "Tom McGann"	4.40
2 Cotton Unionsuits, Size 42 at \$1.75	3.50
Total Merchandise	21.25
Duty	16.45
License	1.50
Shipping and Insurance	3.00
Miscellaneous (service)	1.00
Total	<u>43.20</u>

Example: Parcel No. 15

5 lbs. Sugar	\$.50
2 " Coffee .....	.60
2 " Rice .....	.20
1 " Tea	1.40
2 " Matzohs .....	.30
	3.00
Duty	1.00
License	1.50
Shipping, Insurance....	2.50
Misc. (service).....	1.00
TOTAL	<u>\$ 9.00</u>

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"III.

The adoption of the above plan will enable banks, landsmanschaften, travel agents, etc. to handle parcels to the S.U. in the same manner as handling money drafts and transfers. Their fee is to be \$1.00 on parcels up to \$50. and \$1.50 on parcels over that amount.

It is, of course, obvious, that the greatest proportion of parcels would be handled directly.

People in Canada, Mexico, Cuba, Argentine, as well as in all other countries in South America, could be serviced, since all orders would be specified by number, as described in the folder or catalog.

The Office would daily, upon receipt of money (checks or money order) prepare the license, labels and forward same to the warehouse, accompanied by a "certain" form (this form to be outlined.)

The warehouse would fill the orders, check and pack and paste on the labels.

Everything is to be standardized.

A part of this "certain" form, is to be returned to the office after the order will have been filled. The office will then correspond with the sender, banks, etc. as at present.

/s/ H. R.

Confidential Informant T-2 furnished a copy of a memorandum regarding the "Matter of Raisin (J. N. Golos)". GOLOS, who is now deceased, was formerly president of WORLD TOURISTS INCORPORATED. The following are excerpts from this memorandum:

" Raisin, a native of Russia, was naturalized in the United States in 1915. He commenced to live with Celia Raisin in or about 1918. A child, Milton, was born on March 17, 1923 in the United States. Raisin with his wife and child traveled on an American passport to the Soviet Union in 1924. The wife

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and son went to the Soviet Union in 1936 and remained there continuously ever since. The son is serving in the military service of the USSR and is at present wounded and hors-de-combat, his address unknown to us. The last known address of Mrs. Raisin is Moscow, Speridonovskaia 22/2, Apt. 161.

The nationality of Mrs. Raisin is thus an issue. Her continued residence abroad would have forfeited her American citizenship unless such residence was on account of ill health. Cables received in 1941 and 1942, we are informed, indicated that Mrs. Raisin was in ill-health.

The estate will consist of 30 shares of stock in World Tourists, Inc., and some articles of personal property consisting of items of furniture and some books now stored in a warehouse. It is to be borne in mind that the Bowery Savings Bank account (\$4019.17) and the U.S. War Bonds (\$3,000 face amount), although nominally property of the deceased are and have been listed as assets in the corporation balance sheets.

The corporation continues to function since it was an entity separate and apart from the deceased. By-laws usually provided for the filling of a vacancy caused by death in the Board of Directors by a vote of the majority of the remaining Directors. The successor Director holds office for the unexpired portion of office of the deceased Director until the election of a successor at a meeting of the stockholders. A vacancy among the corporate officers may likewise be filled until the next regular election.

In the absence of misappropriation, waste or other misfeasance no responsibility would attend the officers and directors of the corporation who have been functioning or who will continue to function in the corporation.

A review of the files in the New York Office and contact with confidential informants have failed to establish the fact that the INTERCONTINENT PARCEL SERVICE ever actually came into being. It has been

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determined that individuals who contact the Russian Consulate here in New York, regarding the sending of parcels to Russia, are advised to contact the U. S. SERVICE AND SHIPPING CORPORATION who would handle it for them. No information has been received that WORLD TOURISTS INCORPORATED has been replaced by another organization.

P E N D I N G

NY 97-13

UNDEVELOPED LEADS

NEW YORK FIELD DIVISION

At New York City:

Will continue to follow and report the activities of the
subject organization.

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CONFIDENTIAL INFORMANTS

Confidential informants mentioned in the report of Special Agent Herbert K. Garges, dated March 28, 1945 at New York, New York, are as follows:

T-1

A highly confidential source having access to the offices of the ~~Workers Library Publishers, Inc.~~, 832 Broadway, New York City and reporting to Special Agents Russell S. Garner and William Norton and R. C. Carden on October 12, 1944.

T-2

Highly confidential and reliable source having knowledge of the affairs of New Century Publishers, Inc., JOSEPH FIELDS and WILLIAM WEINER at their offices located at 832 Broadway, New York City and reporting on February 17, 1945 to Special Agents William F. Norton, Joseph J. Phelan and R. C. Carden.

FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **NEW YORK, N. Y.**

NY FILE NO. **97-13** BHB

REPORT MADE AT NEW YORK, NEW YORK	DATE WHEN MADE 3/28/45	PERIOD FOR WHICH MADE 10/12/44;	REPORT MADE BY HERBERT K. GARGES
TITLE WORLD TOURISTS, INCORPORATED; U. S. SERVICE & SHIPPING CORPORATION; JOHN HARZARD REYNOLDS was.; ELIZABETH TERRILL BENTLEY, was.; MAX L. SPECTOR, was.			CHARACTER OF CASE INTERNAL SECURITY - R

SYNOPSIS OF FACTS:

Plans were furnished by confidential informant for the organization of INTER-CONTINENT PARCEL SERVICE being considered as a successor to WORLD TOURISTS, INCORPORATED, for the handling of all parcel shipments to U.S.S.R. Further information indicates dissatisfaction with way this business handled by WORLD TOURISTS, INCORPORATED. No information received indicating actual execution of above plan.

- P -

REFERENCES:

Bureau File #61-6328
Report of Special Agent Herbert K. Garges, dated October 18, 1944, at New York, New York.

DETAILS:

The following information was furnished to the writer by Confidential Informant T-1. A rough draft of a pamphlet, handwritten, furnished by this informant contained the following:

Intercontinent
Parcel Service
7012 - Fifth Ave. New York, N. Y.
Sole Licensed Agency
for shipment of parcels
To the
U. S. S. R.
General Information and Prices

To - Day - The Intercontinent Parcel Service
is the Sole agency which can ship parcels of your choice,

APPROVED AND FORWARDED:	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
COPIES OF THIS REPORT 5 - Bureau 2 - New York			

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direct to the Soviet Union under special licence.

For your convenience and savings, the Intercontinent Parcel Service has provided a complete selection of Practicable Merchandise consisting of wearing apparel, Footwear, Foodstuffs, Household linens, soaps, Medicinal supplies, etc.

Your parcel will consist of nationally known brands. All merchandise is Guaranteed as to quality and durability.

.....
... You can depend on Intercontinent Parcel Service. All our merchandise is of High Grade and Delivery is fully guaranteed and Insured.

Each parcel is expertly wrapped, packed and addressed so that Safe and Prompt delivery is Assured.

All parcels are fully covered by Insurance. We will replace, at no additional cost, any parcel lost, or refund your money, should parcel not be delivered. No Charges, of any kind, are paid by the recipient of parcels.

Parcels are limited to (11) pounds gross each, however you may send as many parcels as you wish to an individual.

When ordering your parcel be sure to give the full name and correct address of the recipient.

Shipping Charges

There is a shipping fee of \$3.75 per parcel. This covers delivery of your parcel to its final destination. Add this fee to the total cost of your parcel.

There are no packing charges. Today, due to the various government regulations, not everything you wish to send can be shipped. These regulations change from time to time, and as the restrictions are lifted more and more items will be permitted to be shipped out of the USA.

We will, therefore, add such items to our catalogue

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of standard parcels, as soon as possible.

The standard parcels listed are based on the needs of the persons in the U.S.S.R.

Use the order blank attached. Send in your order for parcels you select - and know that we will ship exactly what you ordered. A duplicate of your order will be enclosed with each parcel - so that the recipient will know exactly, through your advice, what he is to receive.

This is your additional guarantee that your parcel has reached its destination safely and exactly as you ordered.

Should you desire to send any items not listed in our catalogue write us about it, giving specific information as to what is desired. We will advise you, within 48 hours, whether it is permissible to ship the article and submit prices and other pertinent information.

Confidential Informant T-1 also furnished the following plan for the reorganization of the parcel shipment business:

P L A N

Supplementing memorandum submitted to you in February,, we are attaching herewith the draft of a folder or catalogue outlining procedure and listing - standard parcels. The plan is to mail out about 50,000 copies of the folder to:

- a) Previous senders of parcels
- b) Landsmannschaften
- c) Banks, travel agencies, etc.

A form letter would accompany the folder, explaining the new setup briefly and point out the service these organizations would be rendering their members and clients by recommending our standard parcels. A standard commission fee of about \$1.50 to \$2.50 per parcel would be paid to banks, agents, etc.

FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

NEW YORK, N. Y.

NY FILE NO. 97-13 BHB

REPORT MADE AT NEW YORK, NEW YORK	DATE WHEN MADE 3/28/45	PERIOD FOR WHICH MADE 10/12/44; 2/17/45	REPORT MADE BY HERBERT K. GARGES
TITLE WORLD TOURISTS, INCORPORATED; U. S. SERVICE & SHIPPING CORPORATION; JOHN HAZARD REYNOLDS WAS.; ELIZABETH THRILL BENTLEY, WAS.; MAJ. L. SPECTOR, WAS.			CHARACTER OF CASE INTERNAL SECURITY - R

SYNOPSIS OF FACTS:

Plans were furnished by confidential informant for the organization of INTER-CONTINENT PARCEL SERVICE being considered as a successor to WORLD TOURISTS, INCORPORATED, for the handling of all parcel shipments to U.S.C.R. Further information indicates dissatisfaction with way this business handled by WORLD TOURISTS, INCORPORATED. No information received indicating actual execution of above plan.

- P -

REFERENCES:

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Parcel Service
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Sole licensed agency
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To the
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General Information and Prices

To - Day - The Intercontinent Parcel Service
is the Sole Agency which can ship parcels of your choice.

APPROVED AND FORWARDED:	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES
COPIES OF THIS REPORT ⑤ Bureau 2 - New York		<div style="font-size: 2em; font-weight: bold;">61-6328-25</div> <div style="font-size: 4em; font-weight: bold; margin-top: 10px;">FILE COPY</div> <div style="text-align: right; margin-top: 20px;">11/2</div>

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direct to the Soviet Union under special licence.

For your convenience and savings, the Intercontinent Parcel Service has provided a complete selection of practicable merchandise consisting of wearing apparel, footwear, foodstuffs, household linens, soaps, medicinal supplies, etc.

Your parcel will consist of nationally known brands. All merchandise is guaranteed as to quality and durability.

... You can depend on Intercontinent Parcel Service. All our merchandise is of high grade and delivery is fully guaranteed and insured.

Each parcel is expertly wrapped, packed and addressed so that safe and prompt delivery is assured.

All parcels are fully covered by insurance. We will replace, at no additional cost, any parcel lost, or refund your money, should parcels not be delivered. No charges, of any kind, are paid by the recipient of parcels.

Parcels are limited to (11) pounds gross each, however you may send as many parcels as you wish to an individual.

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of standard parcels, as soon as possible.

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- a) Previous senders of parcels
- b) Landsmanschaften
- c) Banks, travel agencies, etc.

A form letter would accompany the folder, explaining the new setup briefly and point out the service these organizations would be rendering their members and clients by recommending our standard parcels. A standard commission fee of about \$1.50 to \$2.50 per parcel would be paid to banks, agents, etc.

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In addition, a modest advertising campaign would be outlined covering the foreign language press and certain trade union papers.

We undertake to establish a warehouse where all the necessary merchandise would be stocked. Here, parcels would be packed and shipped. Only standard brands of articles would be carried (with very few exceptions) - so that the public would readily see that the prices charged are modest and correct.

Since purchases by us would be made on a wholesale basis, we would naturally be in a position to effect savings, which would be shared by the sender. We might point out that the present system of figuring insurance on parcels, is out of all proportion. For instance, the U.T. circular, lists "War Risk Ins." - 43% (optional), while the actual insurance rate is about 15%.

Due to existing restrictions certain items cannot be shipped out of this country, however, with the gradual lifting of restrictions, additional parcels will be announced, or included in our catalogue. The office would receive all mail orders and correspond with the public. In this office there will be a large sales room, where complete samples of all standard parcels would be on display and direct orders taken. This office should be adjoining the warehouse for the sake of efficiency and economy.

We undertake to pay all the expenses of the office and warehouse, as well as everything else connected with the proper organization of this enterprise, and pay you 50% of the profits.

It is our belief that the organization of the parcel business in accordance with our plan, will enable us to properly serve thousands of senders in the USA and other countries in the Americas. Persons outside of the U.S. are at present obliged to order parcels through certain countries such as Iran or Turkey, entailing cumbersome difficulties.

Confidential Informant T-1 also furnished a copy of the following memorandum signed by "H.R.":

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PARCELS TO THE U.S.S.R.

1. The past as well as the present handling of parcels to the S. U. is, in my opinion, entirely inadequate and unsatisfactory from many angles.

Firstly: - the existing method contains loopholes whereby the sender can "get away" with paying less duty on articles by presenting fictitious bills.

Secondly: - it is cumbersome physically - the sender is required to purchase the articles, to bring them to the office and go through the procedure of calculation, weighing, etc.

Thirdly: - senders outside of New York City are handicapped additionally in many respects, which are well known.

My proposal briefly, is to simplify the whole procedure and to systematize the sending of parcels whereby people all over the continent will find it easy and simple and will therefore really be able to help their relatives and friends who will be in need of help for some time to come.

I furthermore feel that if the following plan were outlined to the proper Soviet authorities, it would be accepted without any trouble.

11. From personal experience, I know that persons on this continent, with few exceptions, send standard articles, which could be listed in about 30-40 categories.

My proposal is, to establish a warehouse, at first on a modest basis and then to increase it gradually, to include an ever greater number of articles concerned; to publish a booklet, the first issue to be in about 50,000 copies, describing this new procedure and listing about 20 kinds of parcels, these to

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be divided into clothes, food, etc. All wearing apparel like underwear, socks, stockings, shoes, shirts, etc. are to be of a well-known national brand, with stable prices, Yard goods, whether cotton, rayon or wool, are to be of a minimum number of qualities, colors, likewise, etc. All these articles are to be duly described in the booklet. Suitings and coatings shall also be included, as well as such incidentals as needles, thread, linings and buttons.

Food parcels present no problem, since all items are to be of a standard brand.

Example: Parcel No. 10

3-1/2 yds. all wool cloth men's suit at \$3.00	\$10.50
Quality	Color
Lining, strong rayon, 2-1/2 yds. at \$1.00.....	2.50
Needles, buttons .....	.35
1 pr. Men's Shoes, Size 9-1/2, "Tom McCall"	4.40
2 Cotton Unionsuits, Size 42 at \$1.75	3.50
Total Merchandise	21.25
Duty	16.45
License	1.50
Shipping and Insurance	3.00
Miscellaneous (service)	1.00
Total	<u>743.20</u>

Example: Parcel No. 15

5 lbs. Sugar	\$.50
2 " Coffee .....	.60
2 " Rice .....	.20
1 " Tea	1.40
2 " Matzohs .....	.30
	3.00
Duty	1.00
License	1.50
Shipping, Insurance....	2.50
Misc. (service).....	1.00
TOTAL	<u>\$ 9.00</u>

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"11.

The adoption of the above plan will enable banks, landmanschaften, travel agents, etc. to handle parcels to the S.U. in the same manner as handling money drafts and transfers. Their fee is to be \$1.00 on parcels up to \$50. and \$1.50 on parcels over that amount.

It is, of course, obvious, that the greatest proportion of parcels would be handled directly.

People in Canada, Mexico, Cuba, Argentine, as well as in all other countries in South America, could be serviced, since all orders would be specified by number, as described in the folder or catalog.

The Office would daily, upon receipt of money (checks or money order) prepare the license; labels and forward same to the warehouse, accompanied by a "certain" form (this form to be outlined.)

The warehouse would fill the orders, check and pack and paste on the labels.

Everything is to be standardized.

A part of this "certain" form, is to be returned to the office after the order will have been filled. The office will then correspond with the sender, banks, etc. as at present.

/s/ H. R.

Confidential Informant T-2 furnished a copy of a memorandum regarding the "Matter of Raisin (J. N. Golos)". GOLOS, who is now deceased, was formerly president of WORLD TOURISTS INCORPORATED. The following are excerpts from this memorandum:

Raisin, a native of Russia, was naturalized in the United States in 1915. He commenced to live with Celis Raisin in or about 1916. A child, Milton, was born on March 17, 1923 in the United States. Raisin with his wife and child traveled on an American passport to the Soviet Union in 1924. The wife

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and son went to the Soviet Union in 1936 and remained there continuously ever since. The son is serving in the military service of the USSR and is at present wounded and hors-de-combat, his address unknown to us. The last known address of Mrs. Raisin is Moscow, Spieridonovskaya 24/2, Apt. 161.

The nationality of Mrs. Raisin is thus an issue. Her continued residence abroad would have forfeited her American citizenship unless such residence was on account of ill health. Cables received in 1941 and 1942, we are informed, indicated that Mrs. Raisin was in ill-health.

The estate will consist of 30 shares of stock in World Tourists, Inc., and some articles of personal property consisting of items of furniture and some books now stored in a warehouse. It is to be borne in mind that the Bowery Savings Bank account (\$4019.17) and the U.S. War Bonds (\$3,000 face amount), although nominally property of the deceased are and have been listed as assets in the corporation balance sheets.

The corporation continues to function since it was an entity separate and apart from the deceased. By-laws usually provided for the filling of a vacancy caused by death in the Board of Directors by a vote of the majority of the remaining Directors. The successor Director holds office for the unexpired portion of office of the deceased Director until the election of a successor at a meeting of the stockholders. A vacancy among the corporate officers may likewise be filled until the next regular election.

In the absence of misappropriation, waste or other misfeasance no responsibility would attend the officers and directors of the corporation who have been functioning or who will continue to function in the corporation.

A review of the files in the New York Office and contact with confidential informants have failed to establish the fact that the INTERCONTINENT PARCEL SERVICE ever actually came into being. It has been

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determined that individuals who contact the Russian Consulate here in New York, regarding the sending of parcels to Russia, are advised to contact the U. S. SERVICE AND SHIPPING CORPORATION who would handle it for them. No information has been received that WORLD TOURISTS INCORPORATED has been replaced by another organization.

P E N D I N G

NY 97-13

INTERVIEW LEADS

NEW YORK FIELD DIVISION

At New York City:

Will continue to follow and report the activities of the
subject organization.

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CONFIDENTIAL INFORMANTS

Confidential informants mentioned in the report of Special Agent Herbert K. Garges, dated March 28, 1945 at New York, New York, are as follows:

T-1

A highly confidential source having access to the offices of the Workers Library Publishers, Inc., 832 Broadway, New York City and reporting to Special Agents Russell S. Garner and William Norton and R. C. Carden on October 12, 1944.

T-2

Highly confidential and reliable source having knowledge of the affairs of New Century Publishers, Inc., JOSEPH FIELDS and WILLIAM WEINER at their offices located at 832 Broadway, New York City and reporting on February 17, 1945 to Special Agents William F. Norton, Joseph J. Shelan and R. C. Carden.

FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

NEW YORK, NEW YORK

NY FILE NO. 97-13 mss

REPORT MADE AT NEW YORK, NEW YORK	DATE WHEN MADE 3-12-45	PERIOD FOR WHICH MADE 3/22, 23; 4/9, 23, 26; 5/4, 21, 25; 6/11, 15/45	REPORT MADE BY EDWARD W. BUCKLEY
TITLE WORLD TOURISTS, INC.; U.S. SERVICE AND SHIPPING CORP.; JOHN REYNOLDS, was.; ELIZABETH TERRILL BENTLEY, was.; MAX L. SPECTOR, was.			CHARACTER OF CASE INTERNAL SECURITY - R

SYNOPSIS OF FACTS:

WORLD TOURISTS, INC. presently located at 1123 Broadway, New York City. Confidential Informant T1 furnished this office a copy of a Balance Sheet dated February 28, 1945 for WORLD TOURISTS, INC. at the Corn Exchange Bank. He also furnished this office with a statement of Income, Profit & Loss for the twelve months ending February 28, 1945 for WORLD TOURISTS, INC. Confidential Informant T2 advised U. S. SERVICE AND SHIPPING CORP. presently located at 212 Fifth Avenue, NYC, is engaged in obtaining export license and the handling of shipments of packages to Russia.

P*

REFERENCE:

Report of Herbert K. Garges, New York, New York, 3/28/45

DETAILS:

AT NEW YORK, NEW YORK

WORLD TOURISTS, INCORPORATED is presently located at 1123 Broadway and is engaged in shipping service between the United States and Soviet Russia.

Confidential Informant T1 furnished the New York Field Division a copy of the Balance Sheet for WORLD TOURISTS, INC. dated February 28, 1945 in the Corn Exchange Bank. This balance sheet is being set out below.

APPROVED AND FORWARDED: <i>[Signature]</i> SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES <div style="font-size: 2em; font-weight: bold; text-align: center;">61-6328-26</div>
COPIES OF THIS REPORT 5 - Bureau 4 - New York <i>cc [unclear] 8/14/45 [unclear]</i>	RECORDED INDEXED

NY 97-12

EXHIBIT "A"
WORLD TOURISTS, INC.

BALANCE SHEET

FEBRUARY 28, 1945

ASSETS

CURRENT ASSETS

Cash-Corn Exchange Bank	\$15,652.91	
-Chase National Bank (IN Trust for Transatlantic Passenger Conference Lines -for Convenience)	210.00	
-Bank for Foreign Trade	7.80	
Total Cash in Banks		\$15,870.71
Cash on Hand		740.24
Cash & U.S. Defense Bonds- (Held by Sol. H. Cohn, Esq.)		6,269.17
Advances Receivable:-	* \$ 358.96	
*Estate of Jacob Golos		
Refund of Money Transfer	102.90	
Total Advances Receivable		461.86
Total Current Assets		\$23,341.98

FIXED ASSETS

Furniture & Fixtures	\$ 2,085.24	
Less: Reserve for Depreciation	1,593.10	
Book Value		492.14

OTHER ASSETS

Account Receivable	\$ 1,206.96	
Typewriters (6) -Held for Clients	240.00	
Total Other Assets		1,446.96

TOTAL ASSETS

\$25,281.08

NY 97-13

(Balance Sheet continued)

LIABILITIES & CAPITAL

CURRENT LIABILITIES

Due U. S. Service shipping Corporation	\$6,626.05	
Due Clients for Advances on Parcel Shipments	1,910.01	
Due Clients for Advances on Money Transfers	30.00	
Due Clients for Deposits on Cruises-Old	862.59	
Due for advertising	598.00	
Social Security & Withholding Taxes Payable	386.66	
Accrued Federal Income Taxes -to		
February 28, 1945	1,776.11	
Accrued Expenses Payable	200.00	
Total Liabilities		\$12,389.42

CAPITAL & SURPLUS

Capital Stock Issued (30 shares)	\$3,000.00		
Paid in Capital	<u>2,000.00</u>		
Total Capital		5,000.00	
Surplus -January 1, 1945	7,096.89		
Profit for the two months			
Ending February 28, 1945-			
(Exhibit "B")	\$1,059.70		
Less: Federal Income Taxes			
for the Period	<u>264.93</u>	<u>794.77</u>	
Surplus-February 28, 1945		<u>7,891.66</u>	
Total Capital and Surplus			12,891.66
TOTAL LIABILITIES, CAPITAL & SURPLUS			<u>\$25,281.08</u>

NY 97-13

EXHIBIT "B"

WORLD TOURISTS, INC.

STATEMENT OF INCOME, PROFIT & LOSS FOR THE

TWO MONTHS ENDING FEBRUARY 28, 1945

INCOME

Income from Parcel Shipments	\$4,444.69	
Income from Transfers of Money and Changes of Addresses		<u>32.84</u>
Total Income		\$4,477.53

OPERATING EXPENSES

Officer's Salary		\$ 416.68
Office Salaries		1,455.13
Office Rent		290.00
Shipping Supplies		522.70
Stationery & Printing		228.60
Professional Fees		200.00
Postage		65.35
Telephone		43.97
Office Expenses		70.02
Miscellaneous Expenses		8.01
Advertising		2.00
Taxes:-		
New York State Unemployment Insurance	\$50.54	
Federal Unemployment Insurance	5.61	
Federal Old Age Benefits	<u>18.72</u>	74.87
Depreciation of Furniture & Fixtures		<u>40.50</u>
Total Operating Expenses		<u>\$3,417.83</u>

NET PROFIT FOR THE PERIOD (SUBJECT TO TAXES)

\$1,059.70

NY 97-13

The Statement of Income, Profit & Loss for the two months ending February 28, 1945 of the WORLD TOURISTS, INC. set out hereinbefore was also furnished this office by Confidential Informant T1.

Confidential Informant T2 advised that the U.S. SERVICE & SHIPPING CORP. continues to maintain its office at 212 Fifth Avenue and presently is engaged in obtaining export license and handling shipments of packages to Russia.

Confidential Informant T2 also advised the party who appears to be in complete charge of operations of this business is ELIZABETH T. BENTLEY, an officer of the company.

This informant advised that few visitors are seen entering in and out of U. S. SERVICE AND SHIPPING CORP. office and it is his belief that most of their business is conducted by telephone and through the mail. Confidential Informant advised the president of the company, JOHN H. REYNOLDS, is presently a Major in the United States Army.

A review of the files of the New York Office fail to reflect any indication of INTERCONTINENT PARCEL SERVICE being continued as successor to WORLD TOURISTS, INC. for the handling of parcel shipments to USSR.

P E N D I N G

NY 97-15

UNDEVELOPED LEAD

THE NEW YORK FIELD DIVISION

AT NEW YORK, NEW YORK

Will continue to follow and report the activities of the subject organization.

NY 97-13

CONFIDENTIAL INFORMANTS

The Confidential Informants mentioned in the report of Special Agent Edward W. Buckley dated July 12, 1945 at New York, New York are as follows:

T1:

A highly confidential source having access to the offices of the New Century Publishers Company, 834 Broadway, New York and reporting to Special Agents G. Earl Jennings, William D. Dunne, William F. Norton, Jr., John F. Wacks.

(b)(7)(D)

T2:

[REDACTED] office building at
212 Fifth Avenue, New York City.

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT

FILE NO.

REPORT MADE AT NEW YORK, NEW YORK	DATE WHEN MADE 7-12-45	PERIOD FOR WHICH MADE 23:4/9, 23, 24; 5/4, 21, 25; 5/14 15/45	REPORT MADE BY EDWARD E. TUCKLEY
TITLE WORLD TOURISTS, INC.; U.S. SERVICE & SHIPPING CORP.; JOHN REYNOLDS, was.; ELIZABETH TERRILL BENTLEY, was.; MAX L. SPECTOR, was.			CHARACTER OF CASE INTERNAL SECURITY - R

SYNOPSIS OF FACTS:

WORLD TOURISTS, INC. presently located at 1123 Broadway, New York City. Confidential Informant T1 furnished this office a copy of a Balance Sheet dated February 28, 1945 for WORLD TOURISTS, INC. at the Corn Exchange Bank. He also furnished this office with a statement of Income, Profit & Loss for the twelve months ending February 28, 1945 for WORLD TOURISTS, INC. Confidential Informant T2 advised U. S. SERVICE AND SHIPPING CORP. presently located at 212 Fifth Avenue, NYC, is engaged in obtaining export license and the handling of shipments of packages to Russia.

-*

REFERENCE:

Report of Herbert K. Garges, New York, New York, 3/28/45

DETAILS:

AT NEW YORK, NEW YORK

WORLD TOURISTS, INCORPORATED is presently located at 1123 Broadway and is engaged in shipping service between the United States and Soviet Russia.

Confidential Informant T1 furnished the New York Field Division a copy of the Balance Sheet for WORLD TOURISTS, INC. dated February 28, 1945 in the Corn Exchange Bank. This balance sheet is being set out below.

APPROVED AND FORWARDED:	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
COPIES OF THIS REPORT			

5- Bureau

4- New York

97-13

EXHIBIT "A"
WORLD TOURISTS, INC.

BALANCE SHEET

FEBRUARY 28, 1945

ASSETS

CURRENT ASSETS

Cash-Corn Exchange Bank	615,652.91	
-Chase National Bank (IN Trust for Transatlantic Passenger Conference Lines -for Convenience)	210.00	
-Bank for Foreign Trade	7.80	
Total Cash in Banks		\$15,870.71
Cash on Hand		740.24
Cash & U.S. Defense Bonds- (Held by Sol. H. Cohn, Esq.)		6,269.17
Advances Receivable:-	358.96	
*Estate of Jacob Golos		
Refund of Money Transfer	102.90	
Total Advances Receivable		461.86
Total Current Assets		\$23,341.98

FIXED ASSETS

Furniture & Fixtures	\$ 2,085.24	
Less: Reserve for Depreciation	1,593.10	
Book Value		492.14

OTHER ASSETS

Account Receivable	\$ 1,200.96	
Typewriters (6) -Held for Clients	740.00	
Total Other Assets		1,446.96

TOTAL ASSETS

\$25,281.03

NY 97-13

(Balance Sheet continued)

LIABILITIES & CAPITAL

CURRENT LIABILITIES

Due U. S. Service shipping Corporation	\$6,626.05	
Due Clients for Advances on Parcel Shipments	1,910.01	
Due Clients for Advances on Money Transfers	30.00	
Due Clients for Deposits on Cruises-Old	862.59	
Due for advertising	598.00	
Social Security & Withholding Taxes Payable	386.66	
Accrued Federal Income Taxes -to		
February 28, 1945	1,776.11	
Accrued Expenses Payable	200.00	
Total Liabilities		\$12,389.42

CAPITAL & SURPLUS

Capital Stock Issued (30 shares)	\$3,000.00	
Paid in Capital	2,000.00	
Total Capital		5,000.00
Surplus -January 1, 1945	7,095.89	
Profit for the two months		
Ending February 28, 1945-		
(Exhibit "B")	\$1,059.70	
Less: Federal Income Taxes		
for the Period	264.93	794.77
Surplus-February 28, 1945		7,891.66
Total Capital and Surplus		12,891.66
TOTAL LIABILITIES, CAPITAL & SURPLUS		\$25,281.08

97-13

EXHIBIT "B"

BO-LO TOURISTS, INC.

STATEMENT OF INCOME, PROFIT & LOSS FOR THE

TWO MONTHS ENDING FEBRUARY 28, 1945

INCOME

Income from Parcel Shipments	\$4,444.69
Income from Transfers of Money and Changes of Addresses	<u>32.84</u>

Total Income

\$4,477.53

OPERATING EXPENSES

Officer's Salary	\$ 416.68
Office Salaries	1,455.13
Office Rent	290.00
Shipping Supplies	522.70
Stationery & Printing	228.60
Professional Fees	200.00
Postage	65.35
Telephone	43.97
Office Expenses	70.02
Miscellaneous Expenses	8.01
Advertising	2.00

Taxes:-

New York State Unemployment Insurance	850.54	
Federal Unemployment Insurance	5.61	
Federal Old Age Benefits	<u>12.72</u>	74.87
Depreciation of Furniture & Fixtures		<u>40.50</u>

Total Operating Expenses

\$3,417.83

NET PROFIT FOR THE PERIOD (SUBJECT TO TAXES)

\$1,059.70

NY 97-13

The Statement of Income, Profit & Loss for the two months ending February 28, 1945 of the WORLD TOURISTS, INC. set out hereinbefore was also furnished this office by Confidential Informant T1.

Confidential Informant T2 advised that the U.S. SERVICE & SHIPPING CORP. continues to maintain its office at 212 Fifth Avenue and presently is engaged in obtaining export license and handling shipments of packages to Russia.

Confidential Informant T2 also advised the party who appears to be in complete charge of operations of this business is ELIZABETH T. BENTLEY, an officer of the company.

This informant advised that few visitors are seen entering in and out of U. S. SERVICE AND SHIPPING CORP. office and it is his belief that most of their business is conducted by telephone and through the mail. Confidential Informant advised the president of the company, JOHN H. REYNOLDS, is presently a Major in the United States Army.

A review of the files of the New York Office fail to reflect any indication of INTERCONTINENT PARCEL SERVICE being continued as successor to WORLD TOURISTS, INC. for the handling of parcel shipments to USSR.

P E N D I N G

97-13

UNDEVELOPED LEAD

THE NEW YORK FIELD DIVISION

AT NEW YORK, NEW YORK

Will continue to follow and report the activities of the subject organization.

NY 97-13

CONFIDENTIAL INFORMANTS

The Confidential Informants mentioned in the report of Special Agent Edward W. Buckley dated July 12, 1945 at New York, New York are as follows:

T1:

A highly confidential source having access to the offices of the New Century Publishers Company, 834 Broadway, New York and reporting to Special Agents G. Earl Jennings, William D. Dunne, William F. Norton, Jr., John F. Backs.

(b)(7)(D)

T2:

[REDACTED] office building at 212 Fifth Avenue, New York City.

Form No. 1
THIS CASE ORIGINATED AT

FILE NO.

U. S. GOVERNMENT PRINTING OFFICE 7-2034

NY 97-13

EXHIBIT "A"
WORLD TOURISTS, INC.

BALANCE SHEET

FEBRUARY 28, 1945

ASSETS

CURRENT ASSETS

Cash-Corn Exchange Bank	\$15,652.91	
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*Estate of Jacob Golos		
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Total Current Assets		\$23,341.98

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Furniture & Fixtures	\$ 2,085.24	
Less: Reserve for Depreciation	1,593.10	
Book Value		492.14

OTHER ASSETS

Account Receivable	\$ 1,235.96	
Typewriters (6) -Held for Clients	240.00	
Total Other Assets		1,446.96

TOTAL ASSETS

\$25,281.08

NY 97-13

(Balance Sheet continued)

LIABILITIES & CAPITAL
CURRENT LIABILITIES

Due U. S. Service shipping Corporation	26,625.00	
Due Clients for Advances on Parcel Shipments	1,910.01	
Due Clients for Advances on Money Transfers	30.00	
Due Clients for Deposits on Cruises-Old	862.59	
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Accrued Federal Income Taxes -to		
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Accrued Expenses Payable	200.00	
Total Liabilities		312,389.42

CAPITAL & SURPLUS

Capital Stock Issued (30 shares)	33,000.00	
Paid in Capital	2,000.00	
Total Capital		5,000.00
Surplus -January 1, 1945	7,095.89	
Profit for the two months		
Ending February 28, 1945-		
(Exhibit "B")	1,059.70	
Less: Federal Income Taxes		
for the Period	264.93	794.77
Surplus-February 28, 1945		7,891.66
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TOTAL LIABILITIES, CAPITAL & SURPLUS		325,281.08

NY 97-13

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NET PROFIT FOR THE PERIOD (SUBJECT TO TAXES)

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NY 97-13

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P E N D I N G

NY 97-13

UNDEVELOPED LEAD

THE NEW YORK FIELD DIVISION

AT NEW YORK, NEW YORK

Will continue to follow and report the activities of the subject organization.

NY 97-13

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(b)(7)(D)

T2: [REDACTED] office building at 212 Fifth Avenue, New York City.

OEA:WMJ

61-6328 -26

~~CONFIDENTIAL~~
BY SPECIAL MESSENGER

Date: August 14, 1945

To: Mr. Frederick B. Lyon
Chief, Division of Foreign Activity Correlation
State Department
Washington, D. C.

From: John Edgar Hoover - Director, Federal Bureau of Investigation

Subject: U. S. SERVICE AND SHIPPING CORPORATION
SPECIAL INQUIRY - STATE DEPARTMENT

Reference is made to my letter dated August 8, 1945, in the above-captioned matter forwarding copies of pertinent reports relative to the U. S. Service and Shipping Corporation.

There is attached for your information and for the completion of your files one copy of the report of Special Agent Edward W. Buckley dated at New York City on July 12, 1945, in the case entitled, "World Tourists, Inc.; U. S. Service and Shipping Corp.; John Reynolds, was; Elizabeth Terrill Bentley, was; Max L. Spector, was; Internal Security - R."

Enclosure

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF
DATE 3/2/78

DECLASSIFIED BY 4913 2/28/78
AP/ht

Tolson	
E. A. Tamm	
Clegg	
Coffey	
Glavin	
Ladd	
Nichols	
Rosen	
Tracy	
Carson	
Egan	
Gurnea	
Hendon	
Pennington	
Quinn Tamm	
Nease	
Gandy	

COMMUNICATIONS SECTION
MAILED 8
AUG 17 1945 P.M.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

52 AUG 22 1945

CA Tamm
Bentley
Spector

TEA/dm

RECORDED

INDEXED

61-6328-27

Date: August 8, 1945

EX-27

Mr. Frederick B. Lyon
Chief
Division of Foreign Activity Correlation
State Department
Washington, D. C.

From: John Edgar Hoover - Director, Federal Bureau of Investigation

Subject: U. S. SERVICE AND SHIPPING CORPORATION
SPECIAL INQUIRY - STATE DEPARTMENT

There are attached copies of the following reports:

Report of Special Agent J. E. Prater dated at New York, New York,
February 19, 1942.

Report of Special Agent Herbert K. Carges dated at New York, New
York, October 18, 1944.

Report of Special Agent Louis Locbl dated at Washington, D. C.,
November 16, 1944.

Report of Special Agent Herbert K. Carges dated at New York, New
York, March 28, 1945.

In addition to the information contained in these reports relative
to the U. S. Service and Shipping Corporation, it might be noted that the
most recent information available indicates their business is conducted
principally by telephone and through the mail. The President of the
company, John H. Reynolds, is now a Major assigned to the Finance Depart-
ment of the United States Army. He is presently believed to be located
in New York City. He is known to be a contact of the New York Soviet
Consulate and in 1942 he represented a group of men who wanted to give
money to the Red Army for defense supplies. These individuals did not
want the money to pass through the Russian War Relief and Reynolds made
arrangements for the money to be given directly to the Consulate.

There is some indication at the present time that the Soviet
Government will remove the exclusive license previously held by the U. S.
Shipping and Service Corporation and grant similar licenses to other
individuals in the New York area. No definite information is available
relative to this matter at the present time other than the fact that
such a move is being contemplated. One of the reasons advanced for

Tolson
E. A. Tamm
Clegg
Coffey
Glavin
Ladd
Nichols
Rosen
Tracy
Carson
Egan
Hendon
Pennington
Quinn Tamm
Nease
Gandy

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

164

6 SEP 4 1945

such a change was the fact that the name of the U. S. Service and Shipping Corporation implies that it is an American organization. No information has ever been received in the past, however, to the effect that they have attempted to imply official United States sponsorship of the corporation.

During the early part of 1941 the U. S. Service and Shipping Corporation had several representatives acting for them in the vicinity of Chicago, Illinois. These individuals were Maurice M. Zusser, Central Parcel Service, Roosevelt Road and Halsted Street, Chicago, Illinois; Union Shipments Agency, 3700 West Roosevelt Road, Chicago, Illinois; and Max Sosenwitz, 3212 West Roosevelt Road, Chicago, Illinois. No additional information is available indicating that they are presently using other agents.

Enclosure C

61-6328-28

CHANGED TO

65-56402-8X

C

61-6328-29, 30
CHANGED TO
65-56402-5, 10,

242

~~242~~

not

61- 6328- 31, 32

CHANGED TO

65- 56402- 90X, 90X1

357
2579

61- 6328-34, 35, 36,
CHANGED TO
65- 56402-21, 35, 22,

243

~~244~~

61-6328-37

CHANGED TO

65-56402-26X

C

61-6328-38
CHANGED TO
65-56402-23

not 243

61-6328-39

CHANGED TO

65-56402-108X2

4357
~~4357~~

61-6328-40, 41, 42, 43, 44, 45, 46,

CHANGED TO

65-56402-37, 27, 36, 38, 41, 18, 58,

net

61-6328-47

CHANGED TO

65-56402 - 108X3

357
2

61-6328-48

CHANGED TO

65-56402-40X

met

61-6328-49,50,51

CHANGED TO

65-56402-90X2,108X7,
108X1

25
25

61-6328-52
CHANGED TO

65-56402-26X1

C

Ma

61-6328-53

65-56402-108

nc

ff

61-6328-54

CHANGED TO

65-56402-26X2

and. 1959

C

mt

61-6328-55

CHANGED TO

65-56402-108X

235
10

61-6328 - 56, 57, 58
CHANGED TO

65-56402 - 84X, 69X, 69X1

mt.
61-6328-59

CHANGED TO

65-56402-13X

357

~~157~~

Office Memorandum

UNITED STATES GOVERNMENT

LM:FVB

TO : Mr. D. M. Ladd

FROM : J. C. Strickland

SUBJECT: UNITED STATES SERVICE AND SHIPPING, INC.
INTERNAL SECURITY - R

DATE: January 29, 1946

- Mr. Tolson
- Mr. Clegg
- Mr. Coffey
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Tele. Room
- Mr. Nease
- Miss Gandy

At 5:25 P. M., January 28, 1946, Supervisor Dooley of the New York Office phoned and advised that Nelson Frank of the World Telegram had just informed Special Agent Marchessault of the New York Office that very probably an article would appear under Woltman's by-line in the World Telegram for January 29, 1946, on the shipment of food and clothing packages to the Soviet Union by the United States Service and Shipping, Inc., and by World Tourists, which food and clothing packages are subject to high duty in the Soviet Union.

ACTION: Dooley was instructed to furnish the Bureau with the text of the article immediately upon its appearance.

76 FEB 5 1946

RECORDED & INDEXED

61-6328-60

19 JAN 30 1946

TO: SAC: New York

January 31, 1946

There follows the report of the FBI Laboratory on the examination of evidence received from your office on January 8, 1946.

John Edgar Hoover, Director

Re: JACOB N. GOLOS,
with aliases;
ALTO CASE

Examination requested by: New York

Your File No. 100-31551
FBI File No. 65-43302
Lab No. D-47226 CY

Reference: Letter dated January 5, 1946

Examination requested: Document

- Qc7581 67 photostats from Exhibit 1A1, taken from the New York File of World Tourist, 97-13.
- Qc7582 23 photostatic copies of correspondence taken from the New York File of World Tourist, 97-13, Exhibit 1A6.
- Qc7583 39 photostatic copies of press lists, releases, etc. taken from New York file of World Tourist, 97-13 Exhibit 1A9.
- Qc7584 Exhibit 1A10, 97-13 - Miscellaneous, of Interest, - 40 photostatic copies taken from the New York File of World Tourist.

RESULTS OF EXAMINATION:

It is concluded that none of the typewriters that was used to prepare the typewritten letters contained in specimens Qc7581 through Qc7584 was used to prepare any of the letters bearing secret ink messages that have been examined in the Laboratory in this case.

cc- New York Enclosure Registered Mail
Laboratory

Communications Section

1/31/46

57 FEB 28 1946 K99

(continued on next page)

ORIGINAL COPY FILED IN 65-43302-5933

61-6328-61

FEB 19 1946

DEPARTMENT OF JUSTICE

The handwriting specimens Qc758 through Qc759 was compared with the secret ink messages previously examined in connection with this case without effecting an identification.

In accordance with your request, specimens Qc7581 through Qc7584 are being returned to your office herewith. Photographic copies of these specimens have not been made and if a future examination is desired it will be necessary to resubmit them to the Laboratory.

PERSONAL AND CONFIDENTIAL
BY SPECIAL MESSENGER

Date: February 21, 1946

67-6328-62
Lieutenant General Hoyt S. Vandenberg
Assistant Chief of Staff, G-2
War Department
Washington, D. C.

From: John Edgar Hoover - Director, Federal Bureau of Investigation

Subject: JOHN HAZARD REYNOLDS

Referring to our recent conversation, at which time I furnished you with information relating to the Soviet espionage activities of William Ludwig Ullmann, I thought you might be interested in the attached memorandum concerning John Hazard Reynolds, a Lieutenant Colonel in the Finance Department of the United States Army, who is also involved in this same activity and who has been reported to be presently in line to receive the Legion of Merit award.

Enclosure

*Delivered to Vandenberg
2/27/46*

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RAC:WMJ

59 MAR 18 1946

February 21, 1946

LIEUTENANT COLONEL JOHN HAZARD REYNOLDS

Allegations of Gregory

Gregory has advised that Colonel John Hazard Reynolds has had numerous conversations with Gregory and through a close association with him Gregory determined that he is the son of an old Long Island, New York, family and that his father was a New York Supreme Court Judge. Reynolds came into a considerable inheritance upon the death of his Grandfather early in 1930. He did not complete college but as a young boy entered Wall Street and had numerous jobs in the financial district of New York. At a later date he became a member of the New York Stock Exchange. During the First World War he entered the Armed Services as a Private and at the termination of the war, held the rank of Major. Subsequent to World War I, he married Grace Fleischman of a prominent New York family, whose father was the owner of the Fleischman Yeast Corporation. Reynolds became associated with the Chase National Bank and in 1934 this bank sent him to Russia to make a report on the financial conditions in that country. Reynolds spent about two months in Russia, according to Gregory, and while there saw many prominent individuals while making his investigation into the financial affairs of the Russian Government. He appeared to have been greatly impressed by the people he met. Upon his return to New York he submitted a report which the Chase National Bank refused because it had no value to them. From that time on he lived the life of a retired gentleman and held no employment until early in January, 1941, when he became interested in the formation of the United States Service and Shipping Corporation.

Gregory indicated that Reynolds had stated that in regard to his political background, he had been a Socialist for the past twenty years and indicated that on one occasion in 1919 he spoke on the same platform somewhere in New Jersey with Scott Fearing. He also told Gregory that he knew Norman Thomas and John Reed, both of whom had been active in the Socialist Party movement in the United States. Gregory also determined through conversations with Reynolds that he had been an acquaintance of some long standing of Theodore Beyer and had made numerous financial contributions to Theodore Beyer's magazine, "Soviet Russia Today." He also knew and gave financial assistance to Herbert Goldfrank, who was associated with the "New Masses," a Soviet Party line publication. It was also determined that John Reynolds was a good friend of Samuel Harris, a prominent Communist Party functionary, and on several occasions Reynolds indicated that the Harris family and his own family had been one-time residents of Tuxedo Park, New York, and his acquaintance with Harris began in early boyhood.

According to Gregory, John Reynolds is not a full-time paying Communist Party member. However, he openly admitted that he is a "Marxist" and a Communist and further indicated that before his association with the United States Service and Shipping Corporation, he gave substantial sums of money to various Communist Party

R.A. COLLIER:wmj

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Gandy

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enterprises. After Reynolds became associated with the United States Service and Shipping Corporation he continued his friendship with Theodore Bayer, Len Harris, and Herbert Goldfrank, but indicated to Gregory that he was no longer contributing any large sums of money to the enterprise with which these individuals were concerned. He did state, however, that he gave them small contributions and his purpose for so doing was to ingratiate himself with these individuals, feeling that their friendship would be of great assistance to him in the profitable operation of the United States Service and Shipping Corporation.

In the latter part of 1940, Jacob K. Golos, a Soviet agent, was desirous of forming the United States Service and Shipping Corporation, and Golos conferred with Earl Browder in an effort to find a suitable individual to act as a front for this corporation. According to Gregory, it was through Earl Browder or one of Browder's functionaries that John Reynolds was nominated for this position. Gregory advised that in the latter part of 1940, at the time when the negotiations for the formation of the United States Service and Shipping Corporation were being conducted, Gregory met John Reynolds for the first time in the office of Jacob K. Golos. Subsequent to this meeting, Gregory was informed that Reynolds would be the President of this new corporation.

Acting on the instructions of Jacob K. Golos, Gregory in the early part of January, 1941, began to see Reynolds at his home on fairly frequent occasions and the reason for these meetings was to arrange for the formation of the United States Service and Shipping Corporation, sending telegrams to Intourist, and other matters which were incident to the actual commencement of the corporate activities. This corporation actually started to do business at 212 Fifth Avenue, New York City, sometime in the early part of 1941, at which time Reynolds took a fairly active interest in its affairs. The money representing the capital in this corporation had been obtained from both Earl Browder and John Reynolds, Reynolds putting up \$5,000 and Earl Browder, on behalf of the Communist Party, putting up \$15,000. This \$15,000, according to Gregory, was given to Reynolds by either Len Harris or Earl Browder. The legal transaction for the formation of the corporation was conducted by a reputable law firm in New York City who believed that they were working solely for John Reynolds and had no indication or knowledge that any part of the capital represented funds of the Communist Party or Earl Browder.

A short time after the corporation started business, Reynolds began to spend less and less time in the actual activities of the firm and at the time of the entrance of the United States in World War II, Reynolds attempted to join the Armed Forces. In December, 1942, he received a commission as a Major in the United States Army and remained away from New York for several months. He then spent a short time in New York City and was subsequently assigned to a special mission in some way connected with foreign funds in Washington, D. C. In September, 1945, he was elevated to the rank of Lieutenant Colonel and on his return to New York City, became Executive Officer, Finance Office, United States Army, New York City.

Tolson _____
E. A. Tamm _____
Clegg _____
Glavin _____
Ladd _____
Nichols _____
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Quinn Tamm _____
Nease _____
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A few months after the United States Service and Shipping Corporation commenced operations, it came to Gregory's attention that Colonel Reynolds was maintaining for Lemel Harris various sums of money in a safety deposit box in the Chase National Bank. At the time Colonel Reynolds entered on active duty with the Army in 1942, he left instructions with Gregory that if in the future Lem Harris should request that any money be placed in the safety deposit box or should desire a portion of the money already there returned to him, Gregory should comply with these requests. From that time until approximately the spring of 1945, Lem Harris would occasionally come to Gregory and either give additional sums to be placed in the safety deposit box or would ask Gregory to withdraw a certain amount and give it to him. No independent record of the dates and amounts of these transactions was maintained by Gregory but Gregory recalls that Lem Harris had a small book in which he made entries, indicating the dates and the character of the transaction.

In the spring of 1945, Lem Harris withdrew all of his funds from the safety deposit box and, according to Gregory, Harris apparently believed that the Russians had made clear their intention of taking over the United States Service and Shipping Corporation and therefore felt that this repository would no longer be safe. The money which had been given by Harris to Gregory for safekeeping was placed in envelopes bearing the printed name either of John H. Reynolds or the United States Service and Shipping Corporation. The deposits and withdrawals ran, so far as Gregory could recall, from approximately \$2,000 to approximately \$10,000. Occasionally, when Harris would give Gregory the money to be included in the safety deposit box, he would remark that he had just been making the rounds and it would appear that these were Party funds rather than the personal property of Harris.

According to Gregory, "Al," a Soviet agent and Gregory's Russian contact who has been identified as Anatole B. Orlov, Second Secretary, Russian Embassy, Washington, D. C., on the occasion of his initial meeting with Gregory inquired as to the advisability of his meeting with John Reynolds. At that time Gregory mentioned that it would be unwise because Reynolds was in uniform and inclined to be somewhat discreet, and mentioned to "Al" the difficulty of explaining to Reynolds the identity of "Al." At that time "Al" seemed satisfied that a meeting with Reynolds would not be wise. However, on the occasion of Gregory's meeting with "Al" in May or June, 1945, he again brought up the subject of his meeting Reynolds and stated that he definitely desired to see him. Gregory again registered an objection and stated that Ray Wilson, a prominent figure in this investigation, likewise felt that "Al" should not meet John Reynolds. At the insistence of "Al," arrangements were made for such a meeting and accordingly, a few days later Gregory and "Al" went to the Vanderbilt Hotel on Park Avenue where "Al" was introduced to Colonel John Reynolds. Later Reynolds informed Gregory that "Al" had been extremely inquisitive concerning the personal finances of himself and his wife. On this occasion "Al" also informed Reynolds that the \$15,000 original investment ostensibly made by Browder when the corporation was formed, actually represented Russian funds.

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 E. A. Tamm _____
 Clegg _____
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 Glavin _____
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 Quinn Tamm _____
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According to Gregory, a misunderstanding then arose between "Al" and Reynolds as to a subsequent meeting and at the request of Reynolds, Gregory made several attempts to arrange a meeting in October and November, 1945. However, "Al" indicated that he had no desire to see Reynolds. On the occasion of the first meeting between "Al" and Reynolds, "Al" was introduced by a fictitious name and Reynolds always referred to "Al" as "Paul." According to Gregory, it appeared that Reynolds did not know the identity of "Al" but during subsequent conversations, Reynolds indicated that he felt "Al" was a Soviet agent.

During the latter part of September, 1945, Gregory indicated that Reynolds should cease his activity with the United States Service and Shipping Corporation. At that time Gregory informed Reynolds that Gregory had been mixed up with Colos in some undercover intelligence work. However, Gregory explained that subsequent to Colos' death in November, 1945, there had been no further activity and Gregory did not inform him of Gregory's continued operations along intelligence lines. At that time Gregory also indicated to Reynolds that the Russians were interested in maintaining the United States Service and Shipping Corporation for a definite purpose and that he would probably become involved. At that time he indicated that he probably knew that "Al" was in fact a Soviet agent.

In connection with Theodore Dyer, John Reynolds informed Gregory that when "Al" failed to communicate with Reynolds, he had gone to see Bayer and informed him of his meeting with "Al" and the fact that "Al" had not kept his appointment as promised. Reynolds advised that Bayer had promised to obtain for Reynolds another Russian contact in the event "Al" did not subsequently see him.

Jack, a Russian contact and Soviet agent who has not been further identified, instructed Gregory that John Reynolds' stock in the United States Service and Shipping Corporation should definitely be acquired and suggested that Gregory attempt to affect this through Earl Browder, pointing out to the latter that he no longer had any Russian contact of value and that inasmuch as the firm's success depended mainly on someone in the firm having a good Russian contact, he was no longer of any value so far as securing business for the corporation was concerned. With respect to this instruction, Gregory made arrangements with Earl Browder to meet John Reynolds and Browder instructed that Gregory was to bring Reynolds and Ray Elson to 16 West 12th Street, New York City. At the time Gregory fulfilled that appointment, Gregory was informed that that was the home of Frederick V. Field, who was not present at the meeting. At this time Browder conveyed to Reynolds the information that he should release his stock and Reynolds stated that if Browder felt that he should dispose of his interest to Ray Elson, it would be acceptable to him. On May 8, 1945, Ray Elson was elected as Vice President of the United States Service and Shipping Corporation and subsequent to that time Ray Elson attempted to procure five shares of the corporation which Gregory held and which had been given to Gregory as a gift by John Reynolds. Gregory, however, turned this stock over to John Reynolds, and Ray Elson mentioned that \$500 had been given to her by her Russian contact for the purpose of acquiring some of Reynolds' stock.

In August, 1944, Gregory and Colonel Reynolds went to Earl Browder's summer home and at that time Gregory carried to Earl Browder, William Browder, and Irene Browder gifts of liquor and brandy from Gregory's Russian contacts. Gregory also, on that occasion, carried material which had been collected and allowed Earl Browder to look it over. According to Gregory, John Reynolds was entirely ignorant of the fact that Gregory carried along any intelligence information.

Background

John Hazard Reynolds was born on October 13, 1886, and is a native of the United States. He came to New York City from Albany, New York, in 1906, and shortly thereafter became a member of a Wall Street brokerage firm. He subsequently held membership in the New York Stock Exchange. During World War I, he served in the United States Army and following his discharge was associated with the Melvill Shoe Company, Incorporated, New York City, later becoming associated with the Guaranty Company of New York. Following this, he was active in the firm of Gillman and Reynolds which managed the financial affairs of private families. In 1927, he retired from active business and remained so until approximately 1941 when the United States Service and Shipping Corporation was formed.

Reynolds is married to Grace Fleischman of the Fleischman Yeast family, and is independently wealthy, holding capital stock of the Chase National Bank as well as a large personal estate.)

In connection with the present investigation, Gregory has advised that Colonel Reynolds has been interested in World Tourist, Incorporated, and in the United States Service and Shipping Corporation. Consequently, a summary of these two organizations is being set out hereinafter as a further explanation of Colonel Reynolds' activities.

World Tourist, Incorporated

World Tourist, Incorporated, was chartered on June 10, 1927, in the State of New York with an authorized capital of \$50,000. The officers as of October 18, 1940, were: President, Joseph R. Brodsky; Vice President, Robert W. Wiener; Treasurer, Alexander Nachtenberg; Secretary, Jacob M. Colos. All of these individuals have long been prominently active in Communist Party affairs and Jacob M. Colos is a known Soviet agent. This corporation was established to take charge of all steamship tours, hotel and railroad accommodations, etc., for passengers to the Soviet Union and elsewhere. In March, 1940, World Tourist, Incorporated, and Jacob M. Colos, whose real name is Jacob Rabin, pled guilty to an indictment charging failure to register as agents of the Soviet Government. The corporation was fined \$500 and Colos received a penitentiary sentence. Following the death of Jacob Colos on November 27, 1943, John Hazard Reynolds became the Acting Vice President. As of June, 1945, this corporation was reported to be engaged in selling steamship tickets to South America and the Soviet Union and handling packages for the USSR.

United States Service and Shipping Corporation

The charter of incorporation of the United States Service and Shipping Corporation stated, "To carry on the business of forwarders, exporters, importers, ship brokers, and all other business incident to shipping and maritime work of every description." John Hazard Reynolds was the original President of this corporation. By a contract dated March 21, 1941, United States Service and Shipping Corporation was designated as the exclusive agent and representative of Intourist, the official Russian travel agency for the United States, Canada, and Mexico. Intourist agreed to designate the United States Service and Shipping Corporation as the sole and exclusive agency for the issuance of licenses for imports to the Soviet Union from the United States, Canada, and Mexico. In a later contract between the United States Service and Shipping Corporation and World Tourist, Incorporated, the latter was designated as the exclusive representative of the United States Service and Shipping Corporation for the purpose of transmitting merchandise, packages, or parcels to Soviet Russia from greater New York.

This corporation on April 10, 1941, notified the Secretary of State pursuant to the terms of the Notification Section of the Espionage Act of 1917 to the effect that it had entered into an agreement with Intourist for exclusive rights to licenses for the exportation of small parcels from the United States, Canada, and Mexico to individuals in the USSR. The State Department concurred in the opinion that the nature of its business was not such as to require registration.

As of July, 1943, John Hazard Reynolds was President of this corporation and his wife, Grace Fleischman Reynolds was Vice President. It is noted that during 1941 the monthly transfer of funds from the United States Service and Shipping Corporation to Intourist was approximately \$15,000, and in 1943, this amount had dropped to between \$3,000 and \$5,000. In July, 1945, it was reported that there was little activity in the offices of the corporation and it was believed that most of the business was conducted by telephone.

Results of Investigation

On December 5, 1945, it was confidentially ascertained that Lem Harris and his associates had definitely decided to take over the United States Service and Shipping Corporation. Harris manifested great eagerness in having Lieutenant Colonel Reynolds remain in the firm, and a conference was scheduled for December 7 to attempt to convince Reynolds that he should definitely retain his interest and participation in the firm's business. According to this confidential source, Reynolds' presence in the corporation obviously would be regarded as very important because he was a "good front," had a reputable law firm handling the corporation's affairs, and was generally well regarded in New York financial circles. This confidential source advised that Lem Harris, Theodore Beyer, as well as the Russians, would undoubtedly realize Reynolds' value to the company for these reasons.

Through a highly confidential source, it was determined that Theodore Beyer and Lem Harris had indicated their apparent intention to effect a closer working arrangement between the United States Service and Shipping Corporation and World Tourist, Incorporated, and the latter organization would become the sole receiving agent. It was further indicated that John Reynolds would continue in the firm in the same capacity as in the past.

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: June 24, 1946

FROM : SAC, New York

SUBJECT: WORLD TOURISTS, INC.; U. S. SERVICE & SHIPPING CORP.;
JOHN REYNOLDS, was; ELIZABETH TERRILL BENTLEY, was;
MAX L. SPECTOR, was;
INTERNAL SECURITY - R

In view of the fact that Confidential National Defense Informant GREGORY, whose identity is known to the Bureau, is reporting information concerning the activities of the above captioned organizations and persons, which information is being reported in the SILVERMASTER case, New York File 65-14603, this case is being placed in a closed status upon authority of the Special Agent in Charge.

EWB:MFB

CC: 65-14603

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EX-15

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December 16, 1946

(b)(1)

[REDACTED]

(b)(1)

RE: SOVIET ESPIONAGE OPERATIONS

61-6328-67

(b)(1)

[REDACTED]

(b)(1)

The photographs of a number of individuals involved in the Gregory and other cases who are known to have travelled outside the United States have previously been made available to your Bureau to your Headquarters. Further photographs in this connection are being obtained currently and will be forwarded to you as soon as possible.

The other information requested by you in your referenced communication will be prepared and made available to you as soon as possible.

(b)(1)

[REDACTED]

(b)(1)

Mr. Tamm

Mr. E. A. Tamm

File in Comrap

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No: 8140

December 5th, 1946.

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World Tourists, Inc.

(Established since 1927)

Continues to SEND
gift PARCELS of new
and old clothing and
other articles to ALL
PARTS of the SOVIET
UNION with Duty Pre-
paid as always.

1. WE also fumigate
and supply a Board
of Health Certifi-
cate for used Cloth-
ing.
2. WE have reduced
our charges.
3. WE are equipped
to give you the best
service.

FOR DETAILS
write, phone or call
in person

World Tourist, Inc.



18 W. 23rd ST.
New York 10 N.Y.
Tel.: OR 4-4660

This is a clipping from
Page _____ of the
THE WORKER

Date 12-1-46
Clipped at the Seat of
Government.

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58 JAN 15 1947

JACOB M. COLOS

11-51

Inquiries were made of Budenz for the purpose of determining the nature of his relationship with Colos and Elisabeth Bentley. When this subject was initially mentioned, Budenz furnished little information of value, although he did state that to the best of his recollection, i.e., Budenz, initiated the original contact with Colos in New York City, at which time Budenz was affiliated with the Chicago Communist "Library Record." It stated that, to the best of his recollection at the time, he traveled to New York City to obtain advertising for his newspaper since it was in financial arrears at which time someone suggested to him that he might obtain advertising from Jacob Colos who Budenz believes was affiliated with World Tourists. Budenz stated further at the time of our original inquiry that he would contact Colos; that he would receive advertising commitments for his paper from Colos; and that as far as he could recall then, he saw Colos between six and twelve times from the time of his initial contact until the latter part of 1943. (Colos died in November, 1954.)

When interviewed at a subsequent date, Budenz stated that during the intervening period he had given much thought to our earlier discussion and that in connection with the instant matter, he had additional information to offer. He related that he now recalled having met and having been acquainted with Colos for a much longer period of time than he had previously stated. He advised that to the best of his recollection he has known Colos since 1925 and possibly even since 1922. In an endeavor to accurately place his original contact in point of time he stated that he more than likely made his initial acquaintance with Colos when Sidney Hillman was the head of the Russian-American Corporation, and during which period Colos was an official in another organization (name not recalled) which was Communist in its political orientation.

At this point Budenz stated that in addition to knowing Colos he also knew Bentley "but he knew her by the name of Helen Johns." Immediately thereafter he stated that even though Bentley utilized the name of Helen Johns in her associations with Budenz, he knew at the same time that her name was actually Elisabeth Bentley.

At this point in the interview, Budenz digressed temporarily by stating that one thing which recalls to his mind his relationship with Colos and Bentley was an incident which arose in connection with a United States citizen of Czech descent, who was viewed by many in the United States as an authority on Czech matters. This individual's last name was Tubos (phonetic).

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According to Budenz, Rubes had a daughter named Laura Rubes (phonetic) who lived in Astoria who was considered by some of Budenz' Communist Party associates as an individual who was friendly to the Soviet Union and to the Communist cause in America.

From the manner in which Laura Rubes acted, Budenz was not entirely convinced of her sincerity; in fact, he had the impression for a time that she might have been "watching" or spying on Budenz' activities. Accordingly, Budenz discussed the Rubes woman with Elisabeth Johnstone, the wife of Jack Johnstone and an individual who was formerly married to a Czech and who knew the background of the Czechs very well. Elisabeth Johnstone furnished general information to Budenz concerning Laura Rubes, which information apparently satisfied him as to her reliability. (The latter deduction is one of inference only since Budenz did not actually state this.) In any event, at about this time Laura Rubes advised Budenz that she had a letter from her father who was then in Cairo and who, according to Budenz, was representing United States interests and may even have been a representative of the United States Government in Egypt. At this point, Budenz advised Golos of the receipt of the Rubes' letter and of the fact that Laura Rubes' father was in Cairo whereupon, according to Budenz, Golos "seemed interested." Elucidating upon this interest of Golos, Budenz stated that he got the definite impression from Golos that he seemed interested in knowing what Mr. Rubes' attitude might be toward Tito and in knowing whether Rubes might be getting in touch with King Peter.

Next, Budenz advised that he and Golos occasionally discussed Adamic and his attitude at that time concerning a Federated Yugoslavia. He stated that he, Budenz, would make reports on what people such as Adamic said concerning problems such as the Yugoslavian one; that these reports would be made to Browder or Landy "as a regular thing;" and that "he may also have furnished them to Golos but he didn't recall."

Budenz asserted that from his contacts with Golos it would appear that the latter was more interested in Yugoslav subjects than in anything else.

Inasmuch as Adamic's attitude at that time concerning a Federated Yugoslavia was in conflict with the policies expressed by the Soviet Union concerning the Slavic peoples, and in view of Budenz' very friendly relationship with Adamic, the following question was put to Budenz: "Would Golos try to get you to bring pressure to bear upon Adamic in order that he might change his policy regarding a Federated Yugoslavia," whereupon Budenz replied that Golos, Browder, and Landy all tried to get Budenz to have Adamic change his policy. (It may be considered noteworthy that subsequently Adamic did substantially alter his expressions on the question of a Federated Yugoslavia, and altered them in such a fashion as to bring his ideas in line with those expressed by Soviet officials.)

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Continuing, Budenz expressed the conviction that Golos was a "runner" between the Soviets and interested groups in the United States.

Getting back to the subject of Helen Johns, alias Bentley, Budenz advised that Golos told him that he, Golos, had heart trouble; that accordingly, he wanted Budenz to furnish any information he received in the future concerning such matters as the foregoing to Helen Johns inasmuch as she was trustworthy and because she would in turn make the information available to Golos. At this point in discussing Helen Johns, Budenz inferred that she was a behind-the-scenes operator since he would see her occasionally in the building occupied by Communist Party Headquarters at which time she would obviously indicate to Budenz that she did not want him to recognize her while in the building.

In recalling the peculiar nature of the activities engaged in by both Golos and Johns, Budenz stated that he got the distinct impression that both Golos and Johns were working for the Control Commission, and that Golos was actually a member of that Commission (which entity Budenz described as being one which is supposed to regulate the conduct of Communist Party members.) Budenz stated that from their activities he got the impression that they may have been engaged in some defensive measures for protective purposes with respect to certain of the activities in which some of the Communist Party members were engaged.

At this point, Budenz launched into a discussion of the Control Commission and he made certain comments which are of such a nature that they are worthy of quoting herein:

"What is the Control Commission? I've been a responsible official (of the Party)--dealt with personnel--had to do things about firing people and all that--for ten years--but never have I seen the Control Commission. Never has anyone in the name of the Control Commission said anyone was good, bad, or indifferent..... My memory is as a matter of fact, that Golos is a member of the Control Commission. Now I understand that the Control Commission in the Communist Party is supposed to regulate the conduct of Party members. The regulation of the conduct may be in regard to political matters, personnel or anything else. I've never seen this Control Commission. If you ask me today who is the Control Commission I won't know."

At this point, in order to emphasize the importance of the Control Commission, Budenz recalled an incident which obviously relates to the activities of that Commission. He stated that when Casey was affiliated with

the "Daily Worker" there was a lot of eruption in Party and "Daily Worker" Headquarters; that Casey was so afraid of the ninth floor (the officials of the Communist Party) that he did things on his own without conferring with or soliciting the advice of Communist Party officials; that on one occasion Budenz himself wrote a ten page editorial on the Chinese questions; that Casey apparently disagreed with the policy of the editorial and, therefore, without conferring with the hierarchy of the Party, tore up the editorial and as a result, when the "Daily Worker" of that date was ready to appear on the streets, it contained ten pages of blank space. As a result, there was a tremendous eruption in Communist Party and "Daily Worker" Headquarters and "everyone was considered suspect." At this point, Nittelman discussed the matter with Budenz; Budenz advised him that Casey tore up the editorial; whereupon Nittelman stated that "he would call Golos on the Control Commission." When Nittelman indicated that he would bring the matter to the attention of Golos on the Control Commission, Harry Gannis begged him not to do it and, according to Budenz, Nittelman did not refer the matter to Golos on the Control Commission.

Continuing, Budenz stated: "I think the question of the Control Commission is a very important one--all through the years we've heard the Control Commission spoken of from time to time, sometimes even at National Committee meetings"--but apparently spoken of in a surreptitious fashion.

Additional inquiries were made of Budenz of the Control Commission and he did furnish information of value which is set out in another memorandum.

The only additional statements furnished by Budenz relative to the supposed case were statements to the effect that recently when the Department of Justice sought or solicited Budenz to register as an agent of a foreign principal, he discussed the matter with Joe Brodsky at which time Brodsky referred to past Registration Act cases involving Communists and specifically to the Golos case (who was convicted for violating the terms of the Foreign Agents Registration Act in March, 1940.) Brodsky stated at the time that Golos was purposely made a "fall man" and that it was prearranged by high ranking functionaries here that Golos would submit to prosecution.

At a subsequent interview, Budenz said that Golos was not to be called a member of the Control Commission of the Communist Party although Budenz said that it was his understanding that he was such a member.

ASSISTANT ATTORNEY GENERAL T. L. CAULLE

February 4, 1947

Director, FBI

~~MAHLER EXTERMINATING COMPANY, New York City;~~
~~AMALGAMATED BANK OF CHICAGO;~~
① ~~THE PENNSYLVANIA COMPANY, Philadelphia, Pennsylvania;~~
~~WORLD TOURISTS, INCORPORATED, New York City;~~
~~HEARN'S DEPARTMENT STORE, New York City~~

For your information advice has been received that Henry D. Mahler, proprietor of the Mahler Exterminating Company, 500 East 164th Street, Bronx, New York, has entered into a contract with Intourist, Moscow, Russia, for the shipment of parcels to Russia. This company is the successor to the United States Service and Shipping Corporation, 212 Fifth Avenue, New York City, which discontinued its contract with Intourist effective October 31, 1946. The latter company was engaged in the business of receiving parcels for shipment to the U.S.S.S.R.

Contracts have also been negotiated between the New York office of the Amtorg Trading Corporation for and in the name of Intourist with the Amalgamated Bank of Chicago, the Pennsylvania Company, Philadelphia, Pennsylvania, World Tourists, Incorporated, New York City, and Hearn's Department Store, New York City.

Information has been received from a source regarded as completely reliable that the contracts entered into by these companies are similar to the agreement which formerly existed between the United States Service and Shipping Corporation and Intourist, particularly since they provide that exclusive control over all advertising done by such firms with respect to their ~~particular~~ business is invested in Intourist.

The above information is being made available to you for the attention of the Foreign Agents Registration Section of the Department for a decision as to whether or not the above-named firms should be compelled to register as agents of a foreign principal.

I would appreciate being advised of the Department's decision in this matter.

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cc - Mr. Ladd

APR 2 1947

SAC, New York

Director, FBI

GREGORY

ESPIONAGE - R

(U.S. Service and Shipping Corporation)

Reference is made to information recently received from your office to the effect that Henry D. Mahler, proprietor of the Mahler Exterminating Company, 600 East 164th Street, Bronx, New York, has entered into a contract with Intourist, Moscow, Russia, for the shipment of parcels to Russia. The Mahler Exterminating Company is the successor to the U.S. Service and Shipping Corporation, which discontinued its contract with Intourist on October 31, 1946.

You will recall that the Amtorg Trading Corporation has been negotiating contracts between its New York Office in the name of Intourist with the Amalgamated Bank of Chicago; the Pennsylvania Company, Philadelphia, Pennsylvania; World Tourists, Incorporated, New York City, and Hearn's Department Store, New York City. The contracts entered into by these companies are similar to the agreement which existed between the U.S. Service and Shipping Corporation and Intourist.

The above information was made available to the Department for the attention of the Foreign Agents Registration Section for a decision as to whether or not the above-named firms should be compelled to register as agents of a foreign principal.

The Department has now advised that the activities of these organizations are such as to bring them within the purview of the Foreign Agents Registration Act. Registration statements have been received from the Mahler Exterminating Company and the Pennsylvania Company. Registration forms have been requested by a Chicago legal firm which are believed to be for the use of the Amalgamated Bank of Chicago. The Foreign Agents Registration Section intends to communicate with World Tourists, Incorporated, and Hearn's Department Store regarding this matter.

The foregoing is being submitted for your information.

cc: SAC, Washington

FLJ:Mod

RECORDED 61-6328-67

3
60 APR 30 1947

ORIGINAL COPY FILED

October 21, 1947

Federal Bureau of Investigation
Washington, D. C.

Gentlemen:

World Tourists Inc., 18 W. 23rd St., New
York City claims to be able to ship parcels
to European Russia. They also claim that these
parcels are insured.

Kindly advise me as to the reliability of
this corporation.

Thanking you, I remain

Yours very truly,

Frank Hamilton

709 E. 3rd St.
Gastianooga, Tenn. &

INDEXED

31 OCT 31 1947

EX-14

Recd
Oct. 10-27-47

October 27, 1947

RECORDED

1-6328-69

EX-14

Mr. Louis Chaukin
709 East Third Street
Chattanooga, Tennessee

Dear Mr. Chaukin:

Your letter of October 21, 1947, has been received and although I would like to be of service, the matter about which you have written is not within the scope of the activities of this Bureau. It is suggested that you may wish to communicate with the Better Business Bureau, 280 Broadway, New York, New York.

Sincerely yours,

John Edgar Hoover
Director

NOTE: Address of Better Business Bureau per phone directory.

WN:hew

COMMUNICATIONS SECTION

MAILED 8

★ OCT 28 1947 P.M.

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

P257

OCT 14 1947

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Mohr
- Mr. Pennington
- Mr. Quinn Tamm
- Tele. Room
- Mr. Nease
- Miss Gandy

OCT 27 1947

SAC, New York

Director, FBI

WORLD TOURIST, INCORPORATED
UNION TOURS, INCORPORATED
INTERNAL SECURITY - R

4913

November 3, 1947

AP/nt 428/28

APPROPRIATE AGENCIES
ADVISED BY ROUTING
SLIP(S) OF
DATE 11/2/47

[REDACTED]

(b)(1)

(S)

[REDACTED]

(b)(1)

(S)

[REDACTED]

(b)(1)

(S)

[REDACTED]

(S)

APC:bap

(61-6328)

191

(b)(1)

- Tolson
- E. A. Tamm
- Clegg
- Glavin
- Ladd
- Nichols
- Tracy
- Harbo
- Quinn Tamm
- Nease
- Tele. Room
- Miss Gandy

[REDACTED] (b)(1)
[REDACTED] (S)

You are requested to conduct such investigation of Union Tours, Incorporated, 50 East 29th Street, New York, as is necessary to determine its activities and liabilities under the Foreign Agents Registration Act. U

There is no information in the Bureau files regarding Union Tours, Incorporated, except that on an unknown date it published a pamphlet urging that travellers to the USSR should arrange their tours through Union Tours, and to travel light and buy in the USSR at Torgsin Stores. U

[REDACTED] (S)

(b)(1)

Enclosure

The following files were checked for information on these firms and Fombach.

40-60330	61-7582, s. 1298 p. 466
100-829-941, p. 30	s. 1421 p. 41
61-6328	100-7559, sub 2, 3165
54-603	61-7574
100-345686-4	

U

6-6328-71
CHANGED TO
65-56402-3495X

FEB 26 1953

1/11/53

New York 7, New York

August 2, 1948

Director, FBI

Att: Assistant Director L. B. Nichols

RE: WALTER HOWEY,
EDITOR, HEARST PAPER
INFORMATION CONCERNING

Dear Sir:

In accordance with the telephonic conversation between Assistant Director L. B. Nichols and ASAC Belmont of this office today, there is forwarded herewith a copy of the memorandum of Night Supervisor Nelson A. Watson dealing with a telephone call made by Mr. HOWEY on the night of July 31, 1948. This supplements information telephonically furnished by the Night Supervisor to Mr. Nichols on the night of July 31, 1948.

In accordance with Mr. Nichols' instructions, no action is being taken by this office relative to the tone adopted by HOWEY. In the event the Bureau desires, I shall be most happy to personally discuss this with Mr. HOWEY and furnish him with my opinion of his conduct.

Very truly yours,

EDWARD SCHMIDT
S/C

enc.

ADDENDUM; LBN:hmc; 8-4-48

Mr. Walter Howey called the Bureau and talked to Night Supervisor Thompson on Saturday evening, July 31. He inquired for information on the Bentley case and Mr. Thompson told him the Bureau was making no comment on the Bentley case. He was not sarcastic and rude in talking to Thompson as he was in talking to the New York Office. He did express the thought that we should comment on the Bentley case and stated that he would try the New York Office. Mr. Thompson did tell him when he stated he was trying to get in touch with the Director that the Director's office was closed.

I do not think the call was handled improperly in Washington.

61 SEP 1 1948

61-6328-72
FBI
50 AUG 18 1948

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. FLETCHER

FROM : D. M. Ladd *DL*

SUBJECT: U. S. Service and Shipping Corporation
REGISTRATION ACT

DATE: August 20, 1948

Mr. Tolson	
Mr. E. A. Tamm	
Mr. Clegg	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Carson	
Mr. Egan	
Mr. Gurnea	
Mr. Harbo	
Mr. Hendon	
Mr. Pennington	
Mr. Quinn Tamm	
Tele. Room	
Mr. Nease	
Miss Gandy	

Assistant Attorney General Aler Campbell called at my office on the afternoon of August 20, 1948, left the attached copies of correspondence from Elizabeth Bentley to the Department of Commerce and advised that Mr. Donegan and Attorneys from the Department intended to study the information developed with reference to the above named company for the purpose of determining whether it would be possible to institute prosecution under the Registration Act, that the Gregory Grand Jury would be called back on September 14 and that such evidence as was available at that time would be presented to the Grand Jury.

Mr. Campbell requested that the Bureau immediately interview Mr. E. C. Ropes, who was formerly with the Department of Commerce and to whom the attached letters were addressed. Mr. Ropes, according to Mr. Campbell is now retired. He wants to determine all possible information which Mr. Ropes may possess concerning the U. S. Service and Shipping Corporation. He wants to determine from Mr. Ropes whether Elizabeth Bentley personally called at the Department of Commerce and if so, who accompanied her. He also requested that the records of the Department of Commerce be checked for the purpose of determining all possible information concerning the U. S. Service and Shipping Corporation. He stated that he thought there might be pencil notations on letters in the file indicating action, etc. that might be pertinent.

In connection with the above matter, Mr. Campbell stated he had just discussed this matter with the Attorney General and it had been definitely decided that Elizabeth Bentley would not be included in any indictment return if one is returned.

He also advised that it is the intention at the present moment to have the Gregory Grand Jury return a presentment.

DML:dad

Attachment

3 ENCL
110

INDEXED - 110

RECORDED - 110
EX-20

61-6328-73

22 AUG 27 1948

[Signature]

Federal Bureau of Investigation
U. S. Department of Justice
COMMUNICATIONS SECTION

SEP 7 1948

TELETYPE

WASH AND WASH FLD FROM NEW YORK 53 7 7-28P

DIRECTOR AND SAC URGENT

GREGORY. ESPIONAGE R. REFERENCE LETTER TO BUREAU SEPTEMBER THIRD. REVIEW OF PHOTOGRAPHS OF MATERIAL OBTAINED FROM THE EFFECTS OF JACOB GOLOS STORED AT THE WAREHOUSE IS CONTINUING. THREE HUNDRED FIFTY SEVEN PHOTOGRAPHS WERE TAKEN IN ALL AND MORE THAN HALF OF THIS MATERIAL IS IN THE RUSSIAN LANGUAGE AND IS PRESENTLY BEING TRANSLATED. IT HAS BEEN NOTED THAT THERE WAS A LETTER ON CP STATIONERY DATED SEPTEMBER NINETEENTH, NINETEEN THIRTY THREE, SIGNED BY EARL E POWDER, SECRETARY, CP, USA, CERTIFYING THAT COMRADE GOLOS HAD BEEN AUTHORIZED TO DO SPECIAL WORK FOR THE SECRETARIAT AND THAT HE WAS TO BE GIVEN EVERY POSSIBLE ASSISTANCE. ALSO THERE WAS NOTED A LETTER DATED APRIL TWENTY FIRST, NINETEEN TWENTY SIX, SIGNED BY RUTHENBERG, GENERAL SECRETARY, ON STATIONERY OF THE EXECUTIVE COMMITTEE OF THE COMMUNIST INTERNATIONAL DATED MOSCOW, JUNE NINTH, NINETEEN TWENTY SIX, CERTIFYING THAT J. N. GOLOS HAD JOINED THE CP OF AMERICA AT THE TIME OF ITS ORGANIZATION IN NINETEEN NINETEEN AND HAS BEEN A MEMBER OF THE CP AND WORKERS PARTY SINCE THAT TIME, FURTHER STATING THAT HE HAD HELD RESPONSIBLE POSITIONS IN THE PARTY AND HAD RECENTLY BEEN SECRETARY OF THE SOCIETY FOR TECHNICAL AID TO SOVIET RUSSIA.

END OF PAGE ONE

RECORDED - 1

61-6328-74

52 SEP 1 1948

ORIGINAL COPY FILED IN

HE HAD BEEN GRANTED PERMISSION TO PROCEED TO THE SOVIET UNION TO WORK FOR THE KUSBAS ORGANIZATION AT THE REQUEST OF THAT ORGANIZATION, AND WAS GRANTED A TRANSFER TO THE CP OF THE SOVIET UNION. FROM A REVIEW OF THE MATERIAL IT WAS NOTED THAT THERE WAS NO MENTION OF THE US SERVICE AND SHIPPING CORP. IT SHOULD BE NOTED THAT THIS MATERIAL WAS STORED IN JULY, NINETEEN THIRTY SEVEN, AND US SERVICE AND SHIPPING WAS FORMED IN NINETEEN FORTY ONE. THERE IS NO INDICATION THAT ANY MATERIAL WAS PLACED IN THE WAREHOUSE AFTER JULY OF NINETEEN THIRTY SEVEN. IT HAS ALSO BEEN NOTED THAT FOR THE MOST PART THE MATERIAL PERTAINS TO EVENTS THAT TOOK PLACE AROUND NINETEEN TWENTY NINE TO NINETEEN THIRTY TWO. THE REVIEW OF THIS MATERIAL WILL BE EXPEDITED AND THE BUREAU NOTIFIED AS SOON AS THIS REVIEW IS COMPLETED.

SCHEIDT

HOLD PLS

SEP 3 1950

TELETYPE

RECORDED - 1

61-6328-74

NEW YORK FROM WASH

42

8

5-47 P

SAC

U R G E N T

GREGORY, -ESPIONAGE - R. RE CURRENT EXAMINATION EFFECTS OF JACOB
GOLOS. IMPERATIVE THIS PROJECT BE GIVEN MOST EXPEDITIOUS ATTENTION
HOOVER
HOLD

SEP 14 1950

ORIGINAL COPY FILED IN 61-51402-347

OFFICE MEMORANDUM - UNITED STATES GOVERNMENT

TO : The Director

DATE: September 2, 1948

FROM : D. M. Ladd

SUBJECT: GREGORY;
ESPIONAGE - R
(Jacob Golos)U. S. SERVICE AND SHIPPING CORPORATION;
REGISTRATION ACT

You will recall that Jacob Golos, who was Elizabeth Bentley's immediate superior in the Gregory Case, died in 1945. Golos was instrumental in the formation and operation of the U. S. Service and Shipping Corporation.

The New York Office has just been advised of the existence of a voluminous amount of personal effects of Jacob Golos which were apparently stored by him in 1937 in Gramercy Storage Warehouse, New York City. This information was furnished to the New York Office by the proprietor of the warehouse who is a personal acquaintance of SA Joseph Wohl of the New York Office, who had concluded that they might be of interest to the Bureau after he had read newspaper accounts of Bentley's testimony concerning Golos. On September 1, 1948, Agents of the New York Office began an examination of this voluminous material, much of which is in the Russian and German languages. It is noted that this material also includes numerous photographs of Golos. Agents of the New York Office qualified in the Russian and German languages began a careful examination of this material September 2, 1948, and will photograph documents of apparent relevancy. It is further noted that until one month ago, storage charges on this material stored by Golos in 1937 were paid by World Tourists, Inc.

Director's Notation:
"Expedite this."

H."

EHM:EW

RECORDED - 1

61-6328-75

F B I

52 SEP 1 1948

INDEXED ON ORIGINAL

10 SEP 14 1948

ORIGINAL COPY FILED IN 61-6328-75

Federal Bureau of Investigation
U. S. Department of Justice
COMMUNICATIONS SECTION

SEP 1 1948

TELETYPE

WASHINGTON FROM NEW YORK 59 1 7-35 P

DIRECTOR URGENT

GREGORY, ESPIONAGE-R, ⁰US SERVICE AND SHIPPING CORPORATION, REGISTRATION ACT. REURTEL AUGUST THIRTY ONE LAST. BOOKS AND ACCOUNTS AND OTHER FINANCIAL RECORDS OF SUBJECT CORPORATION MADE AVAILABLE TO THIS DIVISION TODAY BY BROWN AND ATKINS, NYC ACCOUNTING FIRM WHICH HANDLED BOOKKEEPING FOR COMPANY. ALL OTHER CORPORATION RECORDS INCLUDING MINUTE BOOK, STOCK TRANSFER BOOK ETC., IN POSSESSION OF ATTORNEY CHARLES BESS BANNERMAN OF CLARK, CARR AND ELLIS WHO WAS INTERVIEWED TODAY AND IS COOPERATING FULLY. DATA IN HIS POSSESSION TO BE SUBPOENAED TOMORROW AS HE IS ASSEMBLING THEM IN MEANTIME. BANNERMAN WAS COUNSEL FOR FIRM SINCE ITS ORGANIZATION AND MAINTAINED HE NEVER HAD ANY IDEA IT WAS OTHER THAN A STRICTLY COMMERCIAL VENTURE BY JOHN H. REYNOLDS AND PARTICULARLY THAT HE NEVER RECEIVED ANY INDICATION THAT JACOB N. GOLOS WAS RESPONSIBLE FOR OR INSTRUMENTAL IN FORMATION AND OPERATION OF SUBJECT COMPANY. BANNERMAN UNABLE TO OFFER MUCH ADDITIONAL RELEVANT INFORMATION BUT DID STATE THAT IN NOVEMBER, FORTY SEVEN ON INSTRUCTIONS OF REYNOLDS HE DELIVERED TO LEMENT HARRIS A CHECK DRAWN BY REYNOLDS ON PERSONAL ACCOUNT PAYABLE TO HARRIS IN THE MOUNT OF EIGHT THOUSAND DOLLARS IN FULL SETTLEMENT OF OBLIGATION REYNOLDS SAID HE OWED HARRIS. BANNERMAN CLAIMED NOT TO KNOW REAL NATURE OF THIS "LOAN" BUT MERELY THAT REYNOLDS EXPLAINED IT WAS IN THE NATURE OF A PERSONAL LOAN HE NEGOTIATED SIMULTANEOUSLY WITH FORMATION OF US SERVICE AND SHIPPING CORPORATION FOR HIS FINANCIAL PROTECTION AGAINST LOSS. AGENTS TODAY BEGAN

END OF PAGE ONE

RECORDED - 1

61-6328-
F B I

52

SEP 1 1948

ORIGINAL COPY FILED IN 61-6328-76

PAGE TWO

EXAMINATION OF VOLUMINOUS AMOUNT OF PERSONAL EFFECTS OF JACOB GOLOS STORED BY HIM IN NINETEEN THIRTY SEVEN IN GRAMERCY STORAGE WAREHOUSE, NYC. EXISTENCE OF THIS MATERIAL MADE KNOWN TO THIS DIVISION BY PROPRIETOR OF WAREHOUSE WHO IS PERSONAL ACQUAINTANCE OF SA JOSEPH WOHL AND WHO HAD CONCLUDED THEY MIGHT BE OF INTEREST AFTER HE HAD READ NEWSPAPER ACCOUNTS OF BENTLEY TESTIMONY CONCERNING GOLOS. MUCH OF MATERIAL WHICH INCLUDES NUMEROUS PHOTOGRAPHS OF GOLOS IS IN RUSSIAN AND GERMAN AND QUALIFIED AGENTS WILL COMMENCE CAREFUL EXAMINATION OF SUCH MATERIAL TOMORROW AND PHOTOGRAPH DOCUMENTS OF APPARENT RELEVANCY. UNTIL ONE MONTH AGO STORAGE CHARGES ON THIS MATERIAL STORED BY GOLOS IN NINETEEN THIRTY SEVEN WERE PAID BY WORLD TOURISTS, INC. REQUESTED EXAMINATION AT CHASE BANK RE SAFE DEPOSIT BOX AND BANK ACCOUNTS COMMENCED TODAY.

SCHEILT

HOLD PLS

SAC, Washington

September 1, 1948

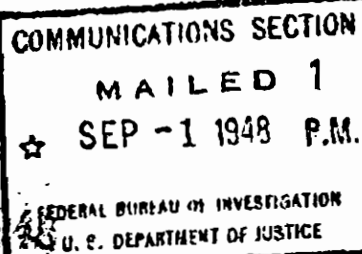
Director, FBI

U. S. SERVICE AND SHIPPING CORPORATION
REGISTRATION ACT

Reference is made to my letter dated August 24, 1948, in the captioned matter.

The Bureau files fail to reflect that your office has conducted the investigation requested in my referenced letter. This investigation must be completed and the results furnished to the Bureau by September 3, 1948. I desire to point out that this investigation is of vital importance at this time and that the dead line of September 3, 1948 must be met.

CC - New York (Air Mail - Special Delivery)



RECORDED - 91

61-6328-77
FBI
71 SEP 2 1948

Tolson
Clegg
Glavin
Ladd
Nichols
Rosen
Tracy
Egan
Gurnea
Harbo
Mohr
Pennington
Quinn Tamm
Tele. Room
Nease
Gandy

61-6328-78
CHANGED TO
134-435-1

FEB 26 1953

C

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, Federal Bureau of Investigation

DATE: August 30, 1948

FROM : Alexander M. Campbell, Assistant Attorney General,
Criminal Division

AAC:mcm

SUBJECT: GREGORY CASE

It is respectfully requested that appropriate investigation be made for the purpose of developing evidence as to a possible conspiracy to violate the Registration Act on the part of the U. S. Service and Shipping Corporation and the following individuals: John Hazard Reynolds, Mrs. Ray Elson, Anatole Gromov, Lem Harris, Earl Browder and Elizabeth Bentley.

It will be recalled that the U. S. Service and Shipping Corporation at the time of its incorporation in New York in February, 1941 was represented by the law firm of Clark, Carr and Ellis, a large New York law firm located in the financial district of New York City. This firm continued to represent both U. S. Service and Shipping Corporation and John Hazard Reynolds, the president of the corporation. At one time one of the members of this firm named Carr was on the Board of Directors of U. S. Service and Shipping Corporation. Subsequently a Mr. Bannerman who was also a partner in this law firm was an officer of U. S. Service and Shipping Corporation.

In order that evidence may be presented before the Grand Jury, it is requested that Mr. Bannerman of Clark, Carr and Ellis be contacted for the purpose of determining the whereabouts of the books and records of this incorporation. As soon as information is obtained, Mr. Bannerman can be advised that a subpoena will be issued for these books and records, including the financial statements, cancelled checks and other bank records of the corporation. Mr. Bannerman should be questioned as to whether the corporation or any of the officers to his knowledge had any safe deposit boxes and their whereabouts should be ascertained.

It is also desired that the Chase National Bank be contacted to develop information on any records they might have on this corporation or any of the above named defendants so that a subpoena can be issued for such records.

It is believed that the New York office of the Federal Bureau of Investigation has information as to which branch bank U. S. Service and Shipping Corporation or John Hazard Reynolds maintained a safe deposit box during the existence of the corporation. It is desired that the safe deposit records of this branch of the Chase National bank be examined for any pertinent information concerning visits made to the safe deposit box. In this connection there should also be determined the names of all employees since 1941 who had charge of admission of persons to the safe deposit box.

RECORDED - 74
INDEXED - 74

61-6328-79

Let to NY
8/30/48
with 100g
and 100g
H.M.

Let to Defendant M. Campbell
A. G. Campbell
100g
H.M.

7-15-48

It will be recalled that John Hazard Reynolds was also a Vice President of ~~World~~ Tourists, Inc. for a period of time. It is requested that any information in possession of the Bureau concerning World Tourists be furnished so it can be determine whether any of the records of World Tourists will be available for consideration in the above entitled matter.

It is suggested that if there are any inquiries concerning this matter, particularly since the investigation centers in New York City, that the New York office of the Federal Bureau of Investigation contact the representatives of the Department who are working on this matter in New York City. Mr. Donegan will contact Mr. Belmont of the New York office concerning this inquiry.

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. H. B. FLETCHER

DATE: August 31, 1948

FROM : L. L. LAUGHLIN

SUBJECT: ~~GREGORY~~ *U.S. Service & Shipping Corp.*
~~INTERNAL SECURITY - R~~
REGISTRATION ACT

Mr. Tolson	
Mr. E. A. Tamm	
Mr. Clegg	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Egan	
Mr. Gurnea	
Mr. Harbo	
Mr. Mohr	
Mr. Pennington	
Mr. Quinn Tamm	
Tele. Room	
Mr. Nease	
Miss Gandy	

ASAC Belmont of the New York Office called at 4:10 PM today and referred to a conference had by Special Assistant to the Attorney General T. J. Donegan with Department officials on August 30, 1948 at Washington, at which it was decided to proceed against the officers of the United States Shipping and Service Corporation under the Registration Act.

Mr. Belmont stated that Mr. Donegan had requested the New York Office to conduct certain investigation in connection with the proposed prosecution. Mr. Belmont said that he wanted the Bureau to know that the New York Office was going ahead and handle these inquiries unless advised to the contrary.

I told Mr. Belmont that the Department at Washington had requested this investigation, that the Director was personally interested and had issued personal instructions that the requested investigation be handled and a report submitted without fail by September 3, 1948. I told Mr. Belmont that the investigation requested by the Department had been forwarded to the New York Office by teletype this morning and was confirmed by letter ASD today, which attached a copy of the Department's memorandum.

Mr. Belmont said that the Bureau's teletype had not yet come to his attention but that the New York Office would proceed at once with the investigation.

ILL:bam
fcm

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RECORDED - 22

EX-84

6-6328-80

734
60 SEP 17 1948

Director, FBI

September 3, 1948

SAC, New York

GREGORY

ESPIONAGE - R

U. S. SERVICE AND SHIPPING CORP.
REGISTRATION ACT

Reurlet August 31, 1948.

There are being transmitted herewith the original and four copies of the report of SA Joseph M. Kelly, dated September 3, 1948 in captioned matter. This report contains the results of the investigation requested by the Criminal Division of the Department. It is to be noted that at his request, Mr. Thomas J. Donegan, Special Assistant to the Attorney General, has been kept currently advised of the progress of the requested investigation. Mr. Donegan pointed out that he is scheduled to confer with Attorney General Clark on this matter on September 7, 1948, and that it was impossible to state at this time whether or not further investigation would be requested.

With respect to the requested interview of BERNICE LEVIN this date, please be advised that such interview was postponed until September 7, 1948; accordingly, no mention is made in referenced report of this matter and a separate report setting out the results of the investigation and interview of LEVIN will be submitted immediately upon completion of the contemplated interview.

Encls. (5)

JMK:FMJ
65-14603

7-39
ENCL

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RECORDED

EX-39

SEP 22 1948

65-6328-81

FBI
63 SEP 14 1948

ORIGINAL COPY FILE

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FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

WASHINGTON FIELD

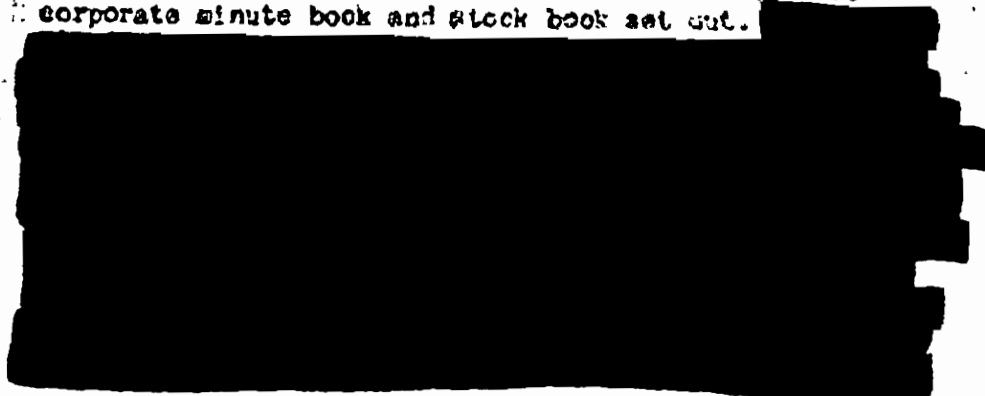
IN FILE NO. 65-14503 AB

REPORT MADE AT NEW YORK	DATE WHEN MADE 9/3/48	PERIOD FOR WHICH MADE 8/31; 9/1, 2, 3/48	REPORT MADE BY JOSEPH W. KELLY
TITLE GREGORY			CHARACTER OF CASE ESPIONAGE - R REGISTRATION ACT

SYNOPSIS OF FACTS:

CHARLES S. BARTHEMAN of law firm of CLARK, GARR & BLISS, 120 Broadway, New York City, advised he has been legal adviser for U. S. SERVICE & SHIPPING CORPORATION since its formation February 1941; met JACOB W. GOLOS two or three times in 1941 incident to organization of company but claims never suspicious GOLOS inspired formation of company or directed it; further, that he never had any idea U. S. SERVICE & SHIPPING CORPORATION was other than strictly commercial venture on part of JOHN H. REYNOLDS. States his first knowledge of REYNOLDS' having negotiated \$15,000 loan from LURENT HARRIS or PAUL BROWDER in early 1941 came in spring of 1942 when he questioned REYNOLDS after ELIZABETH T. BENTLEY had insinuated to BARTHEMAN that some features of company unknown to him might prove very embarrassing. Subpoena duces tecum issued and served September 2, 1948 on BARTHEMAN and all corporate records in his possession surrendered thereunder. Review of corporate minute book and stock book set out.

(b)(3)
(b)(e)



ENCLOSURE

APPROVED AND FORWARDED:	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
COPIES OF THIS REPORT 1 - Bureau 2 - Washington Field 1 - New York		61-6328-81 F 03 SEP 14 1948	RECORDED - 55 EX-33

3500

ORIGINAL COPY FILE

NY 65-14603

The following investigation was conducted by SAs THOMAS J. BURGER and JOSEPH M. KELLY on September 1 and 2, 1948.

CHARLES S. BANNERMAN, partner in the law firm of Clark, Carr and Ellis, 120 Broadway, New York City, advised upon interview at his office on September 1, 1948 that his first knowledge of U. S. Service and Shipping Corporation came in the early part of 1941 when he was asked by Mr. JOHN F. BANN, a senior associate in the firm, to assist in drawing up articles of incorporation and performing other legal work incidental to the formation of the above named corporation. Mr. BANNERMAN stated that it was his understanding that JOHN H. REYNOLDS had come into Clark, Carr and Ellis through his acquaintance with Mr. ELLIS of the firm and he further stated that Mr. BANN is now General Counsel of the Union Pacific Railroad with offices in New York City. It was definitely established that Mr. CARR of the law firm did not participate whatsoever in the initial conversations concerning the firm nor at any time thereafter, according to Mr. BANNERMAN'S best knowledge.

With respect to the actual formation of the U. S. Service and Shipping Corporation, Mr. BANNERMAN said he recalls that when he first heard of the matter, Mr. REYNOLDS came into the office and displayed a cablegram from Intourist, Moscow, briefly directing that steps should be taken by REYNOLDS to form a corporation for the purpose of forwarding parcels to Russia as exclusive licensee of Intourist. According to Mr. BANNERMAN, he drew the articles of incorporation for the firm and shortly thereafter prepared a contract between the corporation and World Tourists, Inc., the latter firm being designated a sub-agent to receive parcels and prepare packages for shipment to Russia.

BANNERMAN declared that to the best of his knowledge and belief all of the initial operating funds for the corporation were paid in by JOHN H. REYNOLDS and he stated that not until 1947 did he ever hear or have reason to believe that at the time the corporation was organized, REYNOLDS had borrowed \$15,000 in connection with part of his original plan for operation of the company.

On the occasion of this interview, Mr. BANNERMAN advised that he believed REYNOLDS first told him that he had negotiated a \$15,000 loan either immediately after REYNOLDS had been questioned by Bureau agents in 1947 or shortly after REYNOLDS' appearance before the Grand Jury in September 1947. BANNERMAN contended throughout that he had never cared to know any more

NY 65-14603

about the firm than was absolutely necessary for his use in handling the legal work incident thereto. He said he did recall having asked REYNOLDS in the early part of 1941 how it happened that the latter was selected by the Russian Government as their exclusive licensee in this country and REYNOLDS explained that he had made a study of Soviet economy and had become acquainted personally with an official, whom he did not identify, who was instrumental in endorsing him in this venture. It was further learned from BANNERMAN that he had met the late JACOB M. GOLOS two or three times in the offices of the U. S. Service and Shipping Corporation, 212 Fifth Avenue, New York City, and that these meetings had been concerned with the latter firm's operations inasmuch as GOLOS was president of World Tourist, Inc., at that time. He said he did not realize that GOLOS had previously been convicted of being an unregistered agent of a foreign principal and was never suspicious of GOLOS although he stated he assumed he must have been an employee of the Russian Government.

Mr. BANNERMAN stated positively that at no time did he have any indication whatsoever that GOLOS had either inspired the formation of U. S. Service and Shipping Corporation or had anything to do with directing its operations. It was also learned from BANNERMAN that the firm had rented a safety deposit box in the Fifth Avenue Branch of the Chase National Bank and that so far as he knew there was no other corporate safety deposit box nor had any of the officers at any time maintained a box for corporate use.

According to BANNERMAN, after REYNOLDS had told him sometime in 1947 that coincident with the formation of the corporation, he had negotiated a "personal loan" of \$15,000, he never pressed REYNOLDS for an exact explanation of the details of this loan but did learn that REYNOLDS claimed he regarded it as a personal matter, not connected with the affairs of the corporation and that REYNOLDS further maintained to him that the proceeds of the loan had never become co-mingled with corporate funds. He said his best understanding was that REYNOLDS had devised this loan for the purpose of securing himself financially against loss arising out of his investment in the firm because of interference by the Russian Government in the operations of the company and BANNERMAN pointed out that at the time the firm began business REYNOLDS was required to and did deposit the sum of \$10,000 in the State Bank of Moscow to the credit of Intourist. REYNOLDS maintained to BANNERMAN that he felt as a business proposition he should have some security for this Moscow deposit and accordingly had insisted upon this "loan" of \$15,000.

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On September 2, 1948, Mr. BANNERMAN said that since agents' visit the previous day, he had conferred telephonically with Mr. REYNOLDS and had secured some further information from the latter concerning the company. He said REYNOLDS told him that he had met JACOB H. GOLOS through HERBERT GOLDFRANK, who was at that time editor of "Soviet Russia Today" and that after he had discussed with GOLOS his plans to form a company to forward parcels to Russia he had told GOLOS that he would have to have a \$15,000 loan to secure himself financially. BANNERMAN continued that REYNOLDS related that GOLOS had said that he did not have that sum of money and that REYNOLDS would have to see EARL BROWDER about it. REYNOLDS claimed to BANNERMAN that he did in fact confer with BROWDER for this purpose and also to make inquiry of him concerning GOLOS and upon BROWDER'S statement that the money would be forthcoming, the money was delivered shortly thereafter in cash by LEONET UPHAM HARRIS.

While discussing this matter further with Mr. BANNERMAN on September 2, 1948, agents learned that Mr. BANNERMAN had inquired that date of Mr. REYNOLDS whether the latter had ever made the statement that BANNERMAN had been cognizant of this loan matter within a matter of months after the formation of the company. According to BANNERMAN, REYNOLDS denied having made this statement to anyone. BANNERMAN'S recollection had been refreshed further and he stated that he never recalled that his first knowledge of this loan came to him probably in February of 1947 during the time ELIZABETH T. BENTLEY had been an officer and employee of the U. S. Service and Shipping Corporation and was engaged in a dispute with REYNOLDS concerning severance pay allegedly due her. BANNERMAN recalls that Miss BENTLEY asked to confer with BANNERMAN privately and that on that occasion she told BANNERMAN that there was considerably more to the situation than he apparently had realized and that because of the "characters" involved there were apt to be some embarrassing repercussions which might affect BANNERMAN as well as REYNOLDS. As a result of these interviews, BANNERMAN asked REYNOLDS if he knew what Miss BENTLEY apparently had in mind and it was at that time that REYNOLDS explained to him his having negotiated this loan in the manner above described. BANNERMAN remarked that he never felt duty bound to "cross-examine" his client about the type of people the latter might be dealing with and as a matter of fact he did not want to know any more than was necessary for him to handle REYNOLDS' legal affairs and those of the corporation.

Mr. BANNERMAN further stated that in November and December of 1947, upon instructions from REYNOLDS, he had two or three conferences with LEONET UPHAM HARRIS relative to repayment of the outstanding balance of \$7,000 of the \$15,000 loan and that these conferences resulted in REYNOLDS drawing a

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personal check for \$7,000 payable to LEONARD HARRIS and this check being delivered by BAERNERMAN to HARRIS in the former's office at which time a general release was executed by HARRIS acknowledging receipt of \$15,000.

It was also learned from Mr. BAERNERMAN that it was a considerable time after REYNOLDS kept his dinner engagement with A. B. GROMOV in the Vanderbilt Hotel in New York City in April 1945 that he had mentioned this meeting to BAERNERMAN and at that time REYNOLDS stated he had been told by the FBI that this man, who was introduced to him as a relief organization official, actually was a Soviet espionage agent. Mr. BAERNERMAN was most cooperative throughout both interviews and evinced every willingness to cooperate although he reiterated his ignorance of any matters except those he had reason to know in order to discharge his duties as attorney for REYNOLDS.

On September 2, 1945, agents served a subpoena duces tecum on Mr. BAERNERMAN calling for production by him of all books and records in his possession of the U. S. Service and Shipping Corporation. They were immediately made available by him and brought to the New York Office. Among these were the corporation Minute Book, the Stock Book, the Combined Stock and Transfer Ledger and a book containing Voting Trust Certificates. These records have been examined and the following information is summarized from the corporation Minute Books:

(b)(3)(b)(e)

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(3)(6)(e)

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(3)(6)(e)

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(b)(3)
(b)(e)(b)(3)
(b)(e)

A review of the Voting Trust Certificates Book and the Combination Stock and Transfer Ledger did not reveal anything of apparent significance.

At the time of the service of the subpoena duces tecum on Mr. BARNETT on September 2, 1964, [REDACTED]

(b)(3)
(b)(e)

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The following investigation was conducted by SA (A) GEORGE J. VAN DORN on September 1 and 2, 1948:

INVESTIGATION AT CHASE SAFE DEPOSIT COMPANY
18 Pine Street
New York, New York

Confidential Informant T-1 checked the records of the CHASE SAFE DEPOSIT COMPANY, Head Office, 18 Pine Street, New York, New York, to determine whether any of the subjects of this investigation at any time maintained safe-deposit boxes with CHASE.

The following schedule reflects results of T-1's search:

ELIZABETH T. BENTLEY

Safe-deposit box currently maintained at CHASE SAFE DEPOSIT COMPANY, Grand Central Branch, 422 Lexington Avenue, New York, New York.

RAY ELSON (MRS. JOSEPH ELSON)

Safe-deposit box rented 1/29/47 at CHASE SAFE DEPOSIT COMPANY, Grand Central Branch. Box surrendered 4/12/48.

ANATOLY A. GROMOV

No record of safe-deposit box in GROMOV'S name at CHASE SAFE DEPOSIT COMPANY. Records reflect, however, that GROMOV was granted access to safe-deposit box maintained by ANGELO TRATING CORPORATION at CHASE SAFE DEPOSIT COMPANY, Madison Square Branch, 45 Madison Avenue, New York, New York. Access authority revoked 7/22/48.

JOHN H. PATROLIS

Safe-deposit box rented 4/11/41 at CHASE SAFE DEPOSIT COMPANY, Fifth Avenue Branch. Box surrendered 7/21/42.

U.S. SERVICE & SHIPPING CORP.

Safe-deposit box rented 7/21/42 at CHASE SAFE DEPOSIT COMPANY, Fifth Avenue Branch. Box surrendered 2/20/47.

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Confidential Informant T-1 advised that his records reflected no evidence of any safe-deposit box maintained at his head office or any of the branches of his SAFE DEPOSIT COMPANY in the names of EARL BROOKER, WILLIAM HARRIS, or GRACE P. REYNOLDS.

INVESTIGATION AT CHASE SAFE DEPOSIT COMPANY
Garfield Branch
230 Fifth Avenue
New York, New York

Confidential Informant T-2 made available the records of the CHASE SAFE DEPOSIT COMPANY, Garfield Branch, relating to safe-deposit box 513-B, which box was rented in the name of U.S. SERVICE AND SHIPPING CORPORATION, 212 Fifth Avenue, New York, New York, and which box was rented on July 21, 1942. It will be noted that the corporate safe-deposit box was rented on the same date that JOHN H. REYNOLDS surrendered his box to the same branch. The records reflect that the prepaid rental applicable to the REYNOLDS' box was applied toward partial payment of the rental of the safe-deposit box of the U.S. SERVICE AND SHIPPING CORPORATION. The annual rental for both boxes was \$10.00, according to the records.

A review of the file containing the corporation papers relating to authorizations for the various officers who would have access to the corporate safe-deposit box, disclosed that JOHN H. REYNOLDS, ELIZABETH T. BENTLEY, GRACE F. REYNOLDS and RAY ELSON had authorized access to safe-deposit box #513-B, as set out below:

<u>Date Authorization Filed</u>	<u>Name</u>	<u>Date Authorization Cancelled</u>
7/21/42	JOHN H. REYNOLDS, Pres. ELIZABETH T. BENTLEY, V.P.-Sec.	1/11/43
1/11/43	JOHN H. REYNOLDS, Pres.-Treas. ELIZABETH T. BENTLEY, V.P.-Sec. GRACE F. REYNOLDS, Vice Pres.	4/6/45
4/6/45	JOHN H. REYNOLDS, Pres. ELIZABETH T. BENTLEY, Vice Pres. GRACE F. REYNOLDS, Vice Pres. RAY ELSON, Sec.	10/29/45

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Date Authorization
Filed

Name

Date Authorization
Cancelled

10/25/45

JOHN H. REYNOLDS, Pres.-Treas.
GRACE F. REYNOLDS, Vice Pres.
ELIZABETH T. BENTLEY, V.P.-Sec.

2/3/47

1/29/47

JOHN H. REYNOLDS, Pres.
GRACE F. REYNOLDS, Vice Pres.

2/20/47

It will be noted that the safe-deposit box was surrendered by GRACE F. REYNOLDS, acting for the corporation, on February 20, 1947, for the reason that the corporation had "no further use" for the box. It is noted further that the authorization papers received by the SAFE DEPOSIT COMPANY on January 29, 1947 were dated January 25, 1947, and reflected the signature of CHARLES S. BARNETT as secretary of the corporation, in addition to the signature of JOHN H. REYNOLDS as president. There was no evidence among the records, however, that BARNETT ever had authority to enter the instant box.

The "access slips" relating to safe-deposit box #513-1 were examined for the period July 21, 1942 to February 20, 1947. It will be noted that each "access slip" contains spaces providing for the signature of the box holder, a date stamp, a time stamp reflecting the time the box was entered and the time the box was returned to the vault, a space in which is recorded the number of the booth in which the box holder examines his safe-deposit box, as well as the space for recording the number of persons who accompanied the box holder into the booth or into the vault. These slips which are numbered serially are signed by the vault attendant who permitted access to the box.

The following schedule reflects the SAFE DEPOSIT COMPANY record of all visitations made to the box of the U.S. SERVICE AND SHIPPING CORPORATION during the instant period.

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Access Slip No.	Date	In	Time Out	Visitor	Accompanying Persons	Vault Attendant
78533	7/21/42	10:16 AM	10:26 AM	JOHN H. REYNOLDS	0	J. E. BUCKLEY
78544	7/21/42	11:52 AM	11:55 AM	ELIZ. T. BENTLEY	0	"
78562	7/22/42	12:15 PM	12:19 PM	JOHN H. REYNOLDS	0	"
78648	7/29/42	10:55 AM	10:56 AM	JOHN H. REYNOLDS	0	M. MICHEL
78800	8/6/42	11:13 AM	11:15 AM	JOHN H. REYNOLDS	0	T. MAYLE
78795	8/6/42	9:25 AM	9:29 AM	ELIZ. T. BENTLEY	0	M. MICHEL
79171	9/2/42	2:54 PM	2:58 PM	JOHN H. REYNOLDS	0	G. MURPHY
79254	9/9/42	1:55 PM	2:03 PM	JOHN H. REYNOLDS	0	"
79493	9/24/42	3:51 PM	3:55 PM	ELIZ. T. BENTLEY	0	A. KILIZ
79666	10/2/42	1:45 PM	1:49 PM	ELIZ. T. BENTLEY	0	J. L. BUCKLEY
79687	10/5/42	10:41 AM	10:43 AM	JOHN H. REYNOLDS	0	"
79894	10/16/42	11:04 AM	11:06 AM	JOHN H. REYNOLDS	0	"
81089	12/22/42	10:30 AM	10:36 AM	JOHN H. REYNOLDS	0	"
81184	12/28/42	10:33 AM	10:37 AM	ELIZ. T. BENTLEY	0	A. KILIZ
81597	1/15/43	3:55 PM	3:59 PM	ELIZ. T. BENTLEY	0	"
81744	1/22/43	3:28 PM	3:32 PM	ELIZ. T. BENTLEY	0	"
81730	1/22/43	12:43 PM	12:46 PM	ELIZ. T. BENTLEY	0	J. L. BUCKLEY
84802	6/25/43	12:16 PM	12:18 PM	ELIZ. T. BENTLEY	0	"
85521	7/31/43	11:18 AM	11:22 AM	ELIZ. T. BENTLEY	0	H. F. MURCH
86175	9/7/43	3:18 PM	3:23 PM	ELIZ. T. BENTLEY	0	"
86818	9/30/43	12:33 PM	12:35 PM	ELIZ. T. BENTLEY	0	J. L. BUCKLEY
87883	11/15/43	11:15 AM	11:31 AM	JOHN H. REYNOLDS	0	"
89593	1/27/44	12:23 PM	12:24 PM	JOHN H. REYNOLDS	0	H. A. HOSKINS
89610	1/28/44	11:11 AM	11:20 AM	ELIZ. T. BENTLEY	0	"
90296	2/23/44	10:20 AM	10:24 AM	ELIZ. T. BENTLEY	0	"
90305	2/23/44	11:54 AM	12:00 PM	ELIZ. T. BENTLEY	0	"
91259	3/31/44	12:59 PM	1/12 PM	JOHN H. REYNOLDS	0	"
93021	6/16/44	11:29 AM	11:30 AM	ELIZ. T. BENTLEY	0	H. BAUM
94143	7/27/44	12:46 PM	12:48 PM	ELIZ. T. BENTLEY	0	"
96724	11/22/44	12:46 PM	12:48 PM	JOHN H. REYNOLDS	0	"
98342	1/15/45	12:01 PM	12:09 PM	ELIZ. T. BENTLEY	0	H. A. HOSKINS
125	3/27/45	2:30 PM	2:37 PM	ELIZ. T. BENTLEY	0	"
295	4/3/45	10:40 AM	10:45 AM	ELIZ. T. BENTLEY	1	"
1521	5/2/45	2:33 PM	2:39 PM	RAY ELSON	0	H. E. BAYES
17770	2/20/47	2:48 PM	2:54 PM	GEORGE F. REYNOLDS (Mrs. JOHN H.)	0	"

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Confidential Informant T-2 advised that the "access slips" will reflect no information as to the number of persons accompanying a box holder into the bank unless the person or persons accompanying the box holder actually entered the booth and/or the vault with the box holder. T-2 stated that the SAFE DEPOSIT COMPANY as a matter of policy, makes no effort whatever to identify persons accompanying a box holder, and that the box holder is entitled to permit anyone he or she desires to accompany said box holder into the booth or the vault.

It will be noted that the above schedule reflects no record of any persons accompanying RLYHOLDS, BENTLEY, EICKEN and Mrs. FITZOLDS, with the exception that on April 3, 1945, from 10:40 AM to 10:45 AM, one unidentified person accompanied ELIZABETH T. BENTLEY at the time she had access to the corporation box.

Confidential Informant T-2 advised further that his records reflect that JOHN H. RYHOLDS rented a safe-deposit box in his own name at the Fifth Avenue Branch of the CHASE SAFE DEPOSIT COMPANY, on April 24, 1941.

On April 25, 1941, according to the SAFE DEPOSIT COMPANY records, RYHOLDS appointed ELIZABETH T. BENTLEY as his deputy to have access to his box, which was numbered 313-B. Both RYHOLDS and BENTLEY are indicated by the records to have had right of access to the box until July 21, 1942, on which date box 313-B was surrendered by RYHOLDS and the corporation box #513-B was rented.

Confidential Informant T-1 made a search among appropriate records of the CHASE SAFE DEPOSIT COMPANY, for the purpose of attempting to establish the identities of the company employees who were on duty as vault attendants at the Fifth Avenue Branch of the company during the period, July 21, 1942 through May 22, 1945, and also as of February 20, 1947, it being noted the foregoing dates include all dates on which entry was had to the safe-deposit box of U.S. SERVICE AND SHIPPING CORPORATION. There follows a listing of the names of the pertinent company employees:

<u>Name</u>	<u>Period Stationed at Fifth Avenue Branch</u>	<u>Present Company Assignment</u>
JOHN EDWARD BUCKLEY	7/16/41-1/15/44	Grand Central Branch 422 Lexington Avenue New York City
MARTIN B. MICHEL	11/16/41-11/19/45	Audit Force, Head Office 18 Pine Street New York City

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<u>Name</u>	<u>Period Stationed at Fifth Avenue Branch</u>	<u>Present Company Assignment</u>
ALBERT KIDNEY	10/6/42-5/10/43	Head Office 18 Pine Street New York City
WILLIAM F. MUNCH	5/12/43-11/15/43	Retired, 11/15/43
HENRY BAUM	11/15/43-1/12/45	Transferred Chase National Bank, Head Office, 18 Pine Street, New York City
R. A. HOSKINS	11/15/43-6/23/45	Resigned, 6/23/45
E. B. KENYON	1/12/45-2/24/47	Head Office 18 Pine Street New York City
NICHOLAS STORHEL	5/15/46-2/24/47	Garfield Branch 200 Fifth Avenue New York City

Confidential Informant T-1 advised that WILLIAM F. MUNCH, who retired from the CHASE SAFE DEPOSIT COMPANY on November 15, 1943, is now employed, according to his most recent information, at the PENNSYLVANIA EXCHANGE BANK, 32nd Street and 7th Avenue, New York, New York.

Confidential Informant T-1 advised that R. A. HOSKINS resigned on June 23, 1945 to accept employment with "WILL J. PARKER, Secretary of a trade organization". He advised that on June 28, 1945, the SAFE DEPOSIT COMPANY received an inquiry regarding HOSKINS from the AMERICAN SURETY COMPANY, 100 Broadway, New York, New York, relating to HOSKINS' contemplated employment with PARKER'S organization, which was not further identified. T-1 advised that as of June 23, 1945, HOSKINS' residence address was 109-17 208th Street, Queens Village, Queens, New York.

It is noted that the Queens Telephone Directory for 1948 reflects a listing of the same ROY A. HOSKINS at 109-17 208th Street; telephone number, HOLLIS 5-2704.

Inquiry was made of Confidential Informant T-1 regarding F. DOYLE and S. MURPHY, CHASE SAFE DEPOSIT COMPANY employees whose names

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appeared on "access slips" relating to the U.S. SERVICE AND SHIPPING CORPORATION as of August 6, 1942 and September 2, 1942 respectively. T-1 stated that these individuals were FRANK DOYLE and SAMUEL MURPHY, neither of whom were regularly assigned to the Fifth Avenue Branch, but who in all probability, served at that branch as relief vault attendants for very short periods of time. T-1 advised that FRANK DOYLE retired recently and is no longer employed, to the best of his knowledge. He stated that DOYLE'S most recent address, according to his records, is 64 Columbia Avenue, Jersey City, New Jersey. T-1 stated that SAMUEL MURPHY is still employed by the CHASE SAFE DEPOSIT COMPANY on the Audit Force of the Head Office, at 18 Pine Street, New York, New York.

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JOHN E. BUCKLEY, CHASE SAFE DEPOSIT COMPANY, Grand Central Branch, 422 Lexington Avenue, who was employed as vault attendant at the Fifth Avenue Branch of the CHASE SAFE DEPOSIT COMPANY from July 16, 1941 through January 15, 1944, advised that he is completely unable to recall the names or any circumstances pertaining to U.S. SERVICE AND SHIPPING CORPORATION, JOHN H. REYNOLDS, GRACE F. REYNOLDS, ELIZABETH T. BENTLEY, or PAT ELSON. He stated that the volume of safe-deposit box entries at the Fifth Avenue Branch is very large and that he did not normally become acquainted with any of the box holders.

Photographs of LIEUT UPHAM HARRIS and EARL BROWER were exhibited to BUCKLEY, without results pertinent to this case. He advised that he could not associate said photographs with any individuals that he had ever recalled having seen in the Fifth Avenue Branch, or in any other branch of the CHASE SAFE DEPOSIT COMPANY. He stated that the photograph of HARRIS meant nothing whatever to him, but that he, of course, recognized BROWER'S photograph as a public figure who had received considerable newspaper publicity.

NICHOLAS CARL STOSSEL, CHASE SAFE DEPOSIT COMPANY, Garfield Branch, 200 Fifth Avenue, New York, New York, was interviewed with reference to his employment as vault attendant at the Fifth Avenue Branch, CHASE SAFE DEPOSIT COMPANY, May 15, 1946 through February 24, 1947. It is noted that the only date on which the U.S. SERVICE SHIPPING CORPORATION safe-deposit box was entered while STOSSEL was on duty, was February 20, 1947, on which date GRACE F. REYNOLDS surrendered the box.

STOSSEL, who resides at 5976 68th Street, Maspeth, Long Island, New York, stated that as of February 20, 1947, the Fifth Avenue Branch was in the process of closing and moving its records for the purpose of consolidating the Fifth Avenue Branch with the Garfield Branch. He advised that during the latter part of January, and throughout February, until February 27, 1947, when the branch closed, his duties consisted principally of reporting to the Fifth Avenue Branch to open safe-deposit vaults, after which he would proceed to the Garfield Branch in connection with the setting up of the Fifth Avenue Branch records at the Garfield Branch. He advised definitely on February 20, 1947, at 2:48 P.M., at which time the subject corporation's box was entered, he was not in the Fifth Avenue Branch.

Photographs of LIEUT UPHAM HARRIS and EARL BROWER were exhibited to STOSSEL, who advised that he had never seen either of these individuals in or outside of the bank, to the best of his knowledge.

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Investigation at 109-17 208th Street, Queens Village, the residence of ROY A. HOSKINS, reflected that no one was presently living at this address. Mrs. CHARLES PLASS, 109-12 208th Street, Queens Village, the next door neighbor of HOSKINS, advised that the HOSKINS family were spending a vacation at their summer cottage on Long Island. Mrs. PLASS was unable to state the exact whereabouts of this cottage, but advised it was her opinion that the HOSKINS family will return to New York City after the Labor Day holiday.

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The following investigation was conducted on September 1 and 2, 1947 by SAA Gerald J. VanBorne:

Investigation at Chase National Bank,
Head Office,
18 Pine Street,
New York, New York

Confidential Informant T-4 made a search of the Central Files of the Head Office of the Chase National Bank for the purpose of determining whether any of the names listed below were indicated to have had accounts with the bank at any time. This search resulted as follows:

ELIZABETH T. BENTLEY

- Savings accounts #19308 opened January 24, 1944 at the Fifth Avenue Branch of the Chase National Bank; changed to savings account #19558 on April 6, 1946, "apparently due to BENTLEY's having lost her pass book"; changed to savings account #19808 on December 10, 1946, reason not indicated; transferred on March 11, 1947 at the Garfield Branch of the Chase National Bank, savings account #21-1879 and closed on July 1, 1947.

EARL BROWDER

- Closed account maintained prior to 1937 at Stuyvesant Square Branch of the Chase National Bank, which branch was subsequently sold to the Manufacturers Trust Company. It will be noted that investigation at the Manufacturers Trust Company disclosed that subsequent to 1937, BROWDER did not reopen this account.

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RAY ELSON (Mrs. JOSEPH ELSON) - Special checking account opened April 3, 1945 at the Fifth Avenue Branch of the Chase National Bank; transferred on September 12, 1946 to the Grand Central Branch of the Chase National Bank; and on September 9, 1947 converted into a joint special checking account with JOSEPH ELSON.

ANATOLE ORLOV

- No record.

CLEMENT UPHAM HARRIS

- Checking account opened July 2, 1917 at Broad Street Branch of the Chase National Bank and closed on April 1, 1947.

ORACE P. REYNOLDS

- Open checking account maintained at 34th Street Branch of the Chase National Bank.

JOHN HAZARD REYNOLDS

- Closed checking account at the Fifth Avenue Branch of the Chase National Bank. It will be noted that about the latter part of February, 1947 or early in March, 1947, the Fifth Avenue Branch was closed and absorbed by the Garfield Branch of the Chase National Bank.

UNITED STATES SERVICE AND
SHIPPING CORPORATION

- Closed account at the Fifth Avenue Branch of the Chase National Bank, now the Garfield Branch.

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Investigation at the Archives of the
Chase National Bank,
173 Pearl Street,
New York, New York

The investigation set out below was conducted for the purpose of determining, if possible, the nature and source of the funds (\$20,000) representing the paid-in capital of the United States Service and Shipping Corporation, which funds were determined to have been deposited to the corporate account during March, 1941.

The ledger sheets pertaining to the checking account of the United States Service and Shipping Corporation, 212 Fifth Avenue, Room 1909, New York, New York were examined. It is noted that this account was originally opened and maintained at the Fifth Avenue Branch of the Chase National Bank.

The ledger sheets reflect that the opening deposit in the account was made on March 4, 1941 in the amount of \$10,000. The only other deposits made in March, 1941 consisted of \$3,000 on March 5, 1941 and \$2,000 on March 20, 1941. These three items, it will be noted, total \$20,000, which has been ascertained to have been the paid-in capitalization of the corporation. No checks were charged against this account during March, 1941 in excess of \$100, with the exception of a check paid on March 5, 1941 in the amount of \$10,000. The balance in the account as of March 31, 1941 was \$8,962.99.

The deposit tickets pertaining to the above deposits were not available for examination for the reason that the Chase National Bank maintains a Destruction Program providing for the destruction of all deposit tickets after seven years. No deposit tickets relating to this account are available in the Archives prior to April 14, 1941.

It is noted that "general ledger tickets", including debit memoranda and credit memoranda, such as, cable transfers, etc., are retained for a period of eight years, while individual ledger sheets are retained for ten years.

It is pointed out that the Chase National Bank does not use the Recordak System and that there is not available any film record of checks drawn against accounts or deposited in accounts in the Chase National Bank.

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The ledger sheets pertaining to the account of JOHN H. REYNOLDS, 212 Fifth Avenue, Room 1907, New York, New York were examined. The records disclosed that the opening deposit in this account was made on April 7, 1941 in the amount of \$1,500.

It was noted that it was subsequently determined from Confidential Informant T-5 that this opening deposit consisted of a check for \$1,500 drawn by JOHN H. REYNOLDS on his personal account at the Bank of New York, Madison Avenue and 63rd Street, New York, New York.

The only sizable deposits made in this account during the period April 7, 1941 and June 30, 1941 were as follows:

<u>Date</u>	<u>Deposit</u>
April 7, 1941	\$ 1,500
April 15, 1941	202
May 1, 1941	300
May 15, 1941	400
May 20, 1941	2,000
May 29, 1941	500
June 12, 1941	500
June 30, 1941	500

No attempt is being made at this time to examine any deposit tickets relating to the above deposits.

During the same period, April 7, 1941 to June 30, 1941, miscellaneous small checks were paid in the account, there being one large item of \$1,000 paid on May 23, 1941.

The balance of the account as of June 30, 1941 was \$1,972.43.

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The following investigation was conducted by SA (A) GERALD J. VAN DORN on September 3, 1948:

**INVESTIGATION AT CHASE NATIONAL BANK
34th Street Branch
40 West 34th Street
New York, New York**

Confidential Informant T-5 was contacted at the 34th Street Branch of the CHASE NATIONAL BANK with reference to the accounts pertaining to GRACE F. REYNOLDS and/or JOHN H. REYNOLDS, for the purpose of attempting to locate a record of a deposit, probably cash, of about \$7,000.00, and the record of the payment of a check for \$8,000.00 sometime early in March, 1941 or thereabouts.

T-5 made available the ledger sheets for the account of Mrs. GRACE F. REYNOLDS, 825 Fifth Avenue, New York, New York, and for the joint Special Account of GRACE F. REYNOLDS and/or JOHN H. REYNOLDS, 825 Fifth Avenue, New York, New York. These sheets were reviewed for the period February 1, 1941 through April 30, 1941. No check in the amount of \$8,000.00 was paid in either account during the period. The largest check being paid during the period was a check for \$2,000, paid on March 6, 1941 in the joint Special Account. No deposit approximating \$7,000.00 was noted in either account during the period. Deposits in the account of GRACE F. REYNOLDS were nominal while the deposits in the joint Special Account consisted principally of \$2,000.00 deposited each month within the first three days of the month.

In view of the specific nature of this inquiry, no further investigation was conducted.

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The following investigation was conducted by SA (A) CHARLES J. VAN DUSEN on September 2, 1942:

Confidential Informant T-4 made available a transcript of the account of LEONARD UPHAM HARRIS, maintained at the Broad Street Branch of the CHASE NATIONAL BANK, 11 Broad Street, New York, New York. This transcript covers the period January 1, 1941 through December 31, 1941.

A review of the transcript disclosed this account to be extremely inactive, the balance as of January 1, 1941 being \$2,552.21; deposits during the period consisting of four deposits in the amount of \$25.00 each; only one check being paid in the account during the two-year period, an item of \$1,000.00 paid on September 23, 1942, and the balance as of September 23, 1942, \$1,652.21. There was no activity subsequent to this date, the balance as of December 31, 1942 being the same.

The instant transcript relating to HARRIS' account is being retained in this case file.

NY 65-14603

The following investigation was conducted by SA THOMAS G. SPENCER at the Chase National Bank, Garfield Branch, 23rd Street and Fifth Avenue, New York City. In an effort to determine the source of the funds paid by JOHN H. REYNOLDS through ELIZABETH T. BENTLEY to EARL BROWDER, the personal checking account of JOHN H. REYNOLDS at the above mentioned bank was examined and the following schedule is set forth:

PAYMENTS MADE TO EARL BROWDER

<u>Date</u>	<u>Amount</u>
6/10/46	\$ 200.00
6/21/46	200.00
6/26/46	300.00
7/11/46	250.00
7/18/46	250.00
7/25/46	250.00
8/1/46	550.00
9/3/46	500.00
10/1/46	500.00

WITHDRAWALS (CHECKS) ON PERSONAL ACCOUNT OF JOHN H. REYNOLDS

<u>Date</u>	<u>Amount</u>
Unidentified	
6/19/46	\$ 300.00
6/25/46	300.00
7/10/46	250.00
Unidentified	
7/24/46	250.00
Unidentified	
8/28/46	500.00
9/30/46	500.00

A review of the financial records of the U. S. SERVICE & SHIPPING CORPORATION reflects that dividends were paid in the amount of \$8000.00 in amounts of \$2000.00, \$2000.00 and \$4000.00 covering the period from July 2, 1946 to November 27, 1946. In an effort to determine the depository of these dividend checks, the personal account of JOHN H. REYNOLDS at the Chase National Bank, Garfield Branch, was examined and as a result of this examination the following schedule is set forth:

DIVIDENDS PAID

<u>Date</u>	<u>Amount</u>
7/2/46	\$2000.00
10/1/46	2000.00
11/27/46	4000.00

DEPOSITS IN THE JOHN H. REYNOLDS PERSONAL ACCOUNT AT CHASE NATIONAL BANK

<u>Date</u>	<u>Amount</u>
7/2/46	\$3,308.00
10/1/46	2,000.00
11/27/46	4,000.00

The deposit ticket in the amount of \$3,308.00 mentioned above was not immediately available; however, since the dividends of November 27 and October 1, 1946 were immediately deposited in REYNOLDS'

NY 65-14603

personal account at the Chase National Bank, it is believed that the deposit on July 2, 1946 in the amount of \$3,308.00 constitutes a dividend check of \$2000.00 augmented by other items, making up the total of \$3,308.00.

During the investigation of Mrs. RAY ELSON in the GREGORY CASE, Mr. J. C. HEADDEN of the Comptroller's Department, National City Bank, 55 Wall Street, New York City, advised that Mrs. ELSON had what is known as a Special Checking Account at various branches of the National City Bank, and over a period of years had her accounts at the Fifth Avenue Branch, their Washington Square Branch, their 51st Street Branch, and the last account she had, which was closed in April 1945, was at their East Midtown Branch, 42nd Street, New York City.

An examination of her account was made and it was noted that her deposits were made on the average of once or twice a month, such deposits never being in excess of \$60.00. The only withdrawals made against the account were usually one or two checks, approximately in the amount of \$50.00 to \$60.00.

The files of the New York Office do not reflect any known banking connections of Mrs. ELSON since 1945.

NY 65-14603

The following information was furnished to SAA JACOB I. BROWN by Confidential Informant T-3 at the Bank of New York and Fifth Avenue Bank, 63rd Street and Madison Avenue, New York City.

Checking accounts are maintained by JOHN H. REYNOLDS, GRACE F. REYNOLDS; there are also maintained accounts in the names of GRACE F. REYNOLDS, Special, JOHN H. and/or GRACE F. REYNOLDS, Joint Special Account, and GRACE F. REYNOLDS, Luncheon Account.

The account of JOHN H. REYNOLDS was opened June 1, 1928. The balance in the account on June 2, 1941 was \$2,290.95. The following items which are pertinent to this investigation were noted. On March 4, 1941 there was deposited \$2000.00 in cash. The deposit ticket reflects that this consisted of \$2000.00 in \$20 bills, \$2000.00 in \$10 bills, \$1000.00 in \$50 bills and \$3000 in \$1000 bills.

On March 18, 1941 there was a mail deposit in the amount of \$3500.00, consisting of three checks as follows: \$2000.00, \$1000.00, \$500.00. The \$2000.00 check above noted was given immediate credit, indicating that it came from instant bank.

Withdrawals from the account pertinent to this investigation were noted as follows: On March 5, 1941 there was charged against the account an item of \$10,000.00. Examination of Recordak film disclosed that this item was Check No. 3739 dated March 4, 1941. The payee was noted as the Chase National Bank. On March 21, 1941 a charge of \$2000.00 to the account was reflected as consisting of Check No. 3768 dated March 20, 1941. The payee on this check was the U. S. Service and Shipping Corporation. On April 8, 1941 there was a charge to the account in the amount of \$1500.00. Examination of the records of the bank reflected that this consisted of Check No. 3792 dated April 7, 1941 payable to the Chase National Bank.

The account of JOHN H. REYNOLDS and/or GRACE F. REYNOLDS, Joint Special Account, was opened February 4, 1932. Examination of the deposits to this account for the period January 2, 1941 to March 31, 1941 failed to reflect any large cash deposits which would be pertinent to this investigation.

On February 27, 1941 Check No. 100 dated February 26, 1941 in the amount of \$3000.00, payable to JOHN H. REYNOLDS was drawn against this account. A corresponding deposit in the amount of \$3000.00 was noted under date of February 27, 1941 in the account of JOHN H. REYNOLDS previously discussed.

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On March 18, 1941 Check No. 101 dated March 17, 1941 in the amount of \$2000.00 payable to JOHN H. REYNOLDS was drawn against the Joint Special Account. This item corresponds to the deposit of March 18, 1941 in the account of JOHN H. REYNOLDS previously noted.

The account of GRACE F. REYNOLDS which was opened on January 13, 1930 and closed December 5, 1941 was examined. There was no activity noted in the account from January 2, 1941 through March 31, 1941, the balance remaining constant at \$339.09.

The GRACE F. REYNOLDS Special Account was opened September 12, 1941. The balance as of January 2, 1941 was \$13,391.56. An examination of this account for the period January 2, 1941 through March 31, 1941 failed to reflect items pertinent to this investigation.

The GRACE F. REYNOLDS Luncheon Account was closed in April 1938.

The JOHN H. REYNOLDS account was examined for the months of June through November 1946, inclusive. The following deposits were noted during this period:

<u>DATE</u>	<u>AMOUNT</u>
June 10, 1946	\$ 250.00
July 3, 1946	533.00
July 8, 1946	1,000.00
August 1946	0.00
September 1946	0.00
October 1946	0.00
November 1946	0.00

The ledger sheets reflect that the following checks in amounts of \$100.00 or over during this period:

<u>DATE</u>	<u>AMOUNT</u>
June 1946	0.00
July 8, 1946	100.00
July 10, 1946	215.00
August 1946	0.00
September 1946	0.00
October 1, 1946	200.00
October 10, 1946	300.00
November 12, 1946	100.00

The GRACE F. REYNOLDS Special Account was examined for the period June 1946 through November 1946, inclusive. The balance in this account as of June 1, 1946 was \$11,461.82. The account reflected the following activity:

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DEPOSITS

<u>Date</u>	<u>Amount</u>
June 1946	\$ 0.00
July 3, 1946	750.00
August 1946	0.00
September 1946	0.00
October 1946	0.00
November 8, 1946	1,500.00

WITHDRAWALS

<u>Date</u>	<u>Amount</u>
June 21, 1946	\$ 300.00
July 1946	0.00
August 1946	0.00
September 1946	0.00
October 1946	0.00
November 1946	0.00

The above is the entire activity in this account.

The GRACE F. REYNOLDS and/or JOHN H. REYNOLDS Joint Special Account was examined for the period of June 1946 through November 1946 inclusive. The balance of the account as of June 1, 1946 was \$8,518.00.

DEPOSITS

<u>Date</u>	<u>Amount</u>
June 1946	0.00
July 1946	0.00
August 1946	0.00
September 1946	0.00
October 7, 1946	100.00
November 13, 1946	11,839.00
November 27, 1946	3,723.26

WITHDRAWALS

<u>Date</u>	<u>Amount</u>
June 7, 1946	\$ 425.00
June 12, 1946	125.00
July 25, 1946	350.00
August 1946	0.00
September 1946	0.00
October 19, 1946	100.00
November 1, 1946	750.00
November 19, 1946	7,900.00
November 22, 1946	140.00
November 25, 1946	4,000.00

The above is the entire activity reflected in this account.

One of the purposes of examining this account was to determine, if possible, the source of the funds paid by REYNOLDS to EARL BROWDER. Examination of these accounts reflected only one possible item that might possibly be identified with the transactions between REYNOLDS and BROWDER. It is noted from the examination of the GRACE F. REYNOLDS Special Account that on June 21, 1946 there was a withdrawal of \$300.00. On June 26, 1946, it will be noted, \$300.00 was paid to EARL BROWDER and there is some possibility that these two items may possibly be identical.

NY 65-14603

On September 2, 1948, SA THOMAS G. SPENCER reviewed the general correspondence files and other office records of the United States Service and Shipping Corporation, which were obtained from MR. CHARLES RABINOWITZ, of the law firm of Clark, Carr and Ellis, 120 Broadway, New York City.

(b)(3)
(6)(e)

(b)(3)(6)(e)

A review of the files of the New York Office reflects that the following amounts of money were paid to EARL BREWSTER or his brothers, WILLIAM and WALDO BREWSTER by ELIZABETH T. SWEET. It will be recalled that these funds were paid to EARL BREWSTER at the request of JOHN H. LENEGLAS and said payments were made in cash.

June 10, 1946	\$ 200.00
June 21, 1946	200.00
June 26, 1946	300.00
July 11, 1946	250.00
July 18, 1946	250.00
July 25, 1946	250.00
August 1, 1946	550.00
September 3, 1946	500.00
October 1, 1946	500.00
Total	\$3000.00

NY 65-14603

Realy:

The following investigation was conducted by SAA Albert T.

An examination of the books and records of the United States Service and Shipping Corporation indicate [REDACTED]

Date

Amount

Total

(b)(3)
(b)(e)

Total

(b)(3)
(b)(e)

Date

Number of Shares

Amount

Total

(b)(3)
(b)(e)

The books were reviewed and dividends paid in view of the previous information furnished by BENTLEY to the effect that BENTLEY was concerned as to the manner in which he could extract cash from the corporation to repay his loan from HARRIS. BENTLEY indicated at that time that

NY 65-14603

REYNOLDS decided to cover payments on this loan by the payment of dividends from USSS.

The books and records of USSS reflect the following [REDACTED]

Date

Check Number

Amount

[REDACTED]

[REDACTED]

[REDACTED]

(b)(3)
(b)(e)

Total

[REDACTED]

The above information was obtained from the Cash Disbursements Book and check stubs of USSS.

The cancelled checks for the corporate account at the Chase National Bank, Fifth Avenue Branch for the period 1941 through 1946 were not contained in the books and records of USSS turned over to this office. Consequently, the disposition of the above \$4,000 in checks was not obtainable from these records.

[REDACTED]

(b)(3)
(b)(e)

- P E N D I N G -

NY 65-14602

CONFIDENTIAL INFORMANTS

The confidential informants mentioned in the report of SA Joseph H. Kelly dated September 3, 1964 at New York, New York are as follows:

T-1

HENRY P. STEITZ, Assistant Controller,
The Chase Safe Deposit Company, Head Office,
18 Pine Street, New York, N. Y.

T-2

GEORGE FLETCHER, Assistant Manager,
Oakfield Branch, The Chase Safe Deposit
Company, 200 Fifth Avenue, New York, N. Y.

T-3

Mr. ROY CLARK, Vice-President, Bank of
New York and Fifth Avenue Bank,
Madison Avenue and 63 Street, New York, N. Y.

T-4

CARL WEISS, Foreign Department,
Chase National Bank, Head Office,
18 Pine Street, New York, N. Y.

T-5

HOWARD MENUS, Assistant Manager,
34th Street Branch, Chase National Bank,
40 West 34 Street, New York, N. Y.

The identities of the above individuals are being protected in accordance with the policy of the New York Division to protect the identities of sources of information in local banks.

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: August 27, 1948

FROM : GUY HOTTEL, SAC, Washington Field

SUBJECT: UNITED STATES SERVICE AND SHIPPING CORPORATION
REGISTRATION ACT

Rebulet dated August 24, 1948. Mr. ST. C. JOHNS, former Chief of the USAR Branch, Commerce Department, is presently located at 693 Broad Street, Stratford, Connecticut.

The following information is set forth for the information of the New Haven Office. By reference letter the Bureau advised that the Department had advised that it is making a study of the information developed with reference to the United States Service and Shipping Corporation for the purpose of determining whether it would be possible to institute prosecution under the Registration Act. The Department is further considering the presentation of such evidence as may be available to the Federal Grand Jury in New York City on or about September 14, 1948, that would set the facts in the Gregory Case.

Attached to reference letter as an enclosure were copies of correspondence from ELIZABETH BENTLEY to Mr. APAS at the Department of Commerce which are self explanatory. This enclosure is being forwarded, together with a copy of this communication, to the New Haven Office.

The Bureau has directed that Mr. APAS should be interviewed immediately and an effort made to obtain from him all possible information in his possession concerning the United States Service and Shipping Corporation. It should also be determined from him whether ELIZABETH BENTLEY personally called at the Department of Commerce and if so, who accompanied her.

Inasmuch as this investigation is being conducted upon specific instructions from the Department, this matter should be given expeditious attention and a report submitted immediately.

The Bureau, New York and Washington Offices should be advised of the results of this interview.

REL:cl
100-16855

cc - New Haven (encl) (ALSD)

RECORDED
INDEXED

61-6328-82

6 AUG 30 1948

55 SEP 22 1948

337

SAC, NEW YORK

BEEN REQUESTED TO FURNISH THE CRIMINAL DIVISION ALL INFORMATION IN THE POSSESSION OF THE BUREAU CONCERNING WORLD TOURISTS INCORPORATED IN ORDER THAT IT CAN BE DETERMINED WHETHER ANY OF THE RECORDS OF WORLD TOURISTS WILL BE AVAILABLE FOR CONSIDERATION IN THIS CASE. YOU ARE INSTRUCTED TO REVIEW YOUR FILES AND BE CERTAIN THAT ALL INFORMATION IN THE POSSESSION OF YOUR OFFICE CONCERNING WORLD TOURISTS INCORPORATED HAS BEEN FURNISHED TO THE BUREAU. YOU ARE FURTHER INSTRUCTED TO COMPLETE THE INVESTIGATION REQUESTED BY THE CRIMINAL DIVISION AS SET FORTH ABOVE AND SUBMIT THE RESULTS OF THIS INVESTIGATION TO REACH THE BUREAU BY SEPTEMBER THREE, NINETEEN FORTYEIGHT. I FURTHER DESIRE THAT I BE KEPT ADVISED DAILY OF THE PROGRESS OF THIS INVESTIGATION. I WILL NOT ACCEPT ANY EXCUSES FOR FAILURE TO COMPLY WITH MY INSTRUCTIONS IN THIS MATTER. CONFIRMATION FOLLOWS.

HOOVER

SAC, NEW YORK

ISSUED FOR THESE BOOKS AND RECORDS, INCLUDING THE FINANCIAL STATEMENTS, CANCELLED CHECKS AND OTHER BANK RECORDS OF THE CORPORATION. MR. BANNERMAN SHOULD BE QUESTIONED AS TO WHETHER THE CORPORATION OR ANY OF THE OFFICERS TO HIS KNOWLEDGE HAD ANY SAFE DEPOSIT BOXES AND THEIR WHEREABOUTS SHOULD BE ASCERTAINED. IT IS ALSO DESIRED THAT THE CHASE NATIONAL BANK BE CONTACTED TO DEVELOP INFORMATION ON ANY RECORDS THEY MIGHT HAVE ON THIS CORPORATION OR ANY OF THE ABOVE NAMED DEFENDANTS SO THAT A SUBPOENA CAN BE ISSUED FOR SUCH RECORDS. IT IS BELIEVED THAT THE NEW YORK OFFICE OF THE FEDERAL BUREAU OF INVESTIGATION HAS INFORMATION AS TO WHICH BRANCH BANK US SERVICE AND SHIPPING CORPORATION OR JOHN HAZARD REYNOLDS MAINTAINED A SAFE DEPOSIT BOX DURING THE EXISTENCE OF THE CORPORATION. IT IS DESIRED THAT THE SAFE DEPOSIT RECORDS OF THIS BRANCH OF THE CHASE NATIONAL BANK BE EXAMINED FOR ANY PERTINENT INFORMATION CONCERNING VISITS MADE TO THE SAFE DEPOSIT BOX. IN THIS CONNECTION THERE SHOULD ALSO BE DETERMINED THE NAMES OF ALL EMPLOYEES SINCE NINETEEN FORTYONE WHO HAD CHARGE OF ADMISSION OF PERSONS TO THE SAFE DEPOSIT BOX. THE CRIMINAL DIVISION HAS SUGGESTED THAT IF THERE ARE ANY INQUIRIES CONCERNING THIS MATTER, PARTICULARLY SINCE THE INVESTIGATION CENTERS IN NEW YORK CITY, YOUR OFFICE SHOULD CONTACT THE REPRESENTATIVES OF THE DEPARTMENT WHO ARE WORKING ON THIS MATTER IN NEW YORK CITY. THE BUREAU WAS INFORMED THAT MR. DONEGAN WILL CONTACT MR. BELMONT OF THE NEW YORK OFFICE CONCERNING THIS MATTER. IN ADDITION THE BUREAU HAS

REPLICATE YELLOW

AUGUST 31, 1948 - URGENT

SAC NEW YORK

United States
GREGORY, ESPIONAGE DASH B; US SERVICE AND SHIPPING CORPORATION, REGISTRATION ACT.

ON AUGUST THIRTY, NINETEEN FORTYEIGHT THE CRIMINAL DIVISION REQUESTED AN INVESTIGATION BE CONDUCTED FOR THE PURPOSE OF DEVELOPING EVIDENCE AS TO A POSSIBLE CONSPIRACY TO VIOLATE THE REGISTRATION ACT ON THE PART OF US SERVICE AND SHIPPING CORPORATION AND THE FOLLOWING PERSONS: JOHN HAZARD REYNOLDS, MRS. RAY ELSON, ANATOLE GROMOV, LEM HARRIS, EARL BROWDER AND ELIZABETH BENTLEY. THE CRIMINAL DIVISION POINTED OUT THAT THE US SERVICE AND SHIPPING CORPORATION AT THE TIME OF ITS INCORPORATION IN NEW YORK IN FEBRUARY OF NINETEEN FORTYONE WAS REPRESENTED BY THE LAW FIRM OF CLARK, CARR AND ELLIS, A LARGE NEW YORK LAW FIRM LOCATED IN THE FINANCIAL DISTRICT OF NEW YORK CITY. THIS FIRM CONTINUED TO REPRESENT BOTH US SERVICE AND SHIPPING CORPORATION AND JOHN HAZARD REYNOLDS, THE PRESIDENT OF THE CORPORATION. AT ONE TIME ONE OF THE MEMBERS OF THIS FIRM NAMED CARR WAS ON THE BOARD OF DIRECTORS OF US SERVICE AND SHIPPING CORPORATION. SUBSEQUENTLY A MR. BANNERMAN WHO WAS ALSO A PARTNER IN THIS LAW FIRM WAS AN OFFICER OF THE US SERVICE AND SHIPPING CORPORATION. THE INVESTIGATION REQUESTED BY THE CRIMINAL DIVISION IS AS FOLLOWS: IN ORDER THAT EVIDENCE MAY BE PRESENTED BEFORE THE GRAND JURY IT IS REQUESTED THAT MR. BANNERMAN OF CLARK, CARR AND ELLIS BE CONTACTED FOR THE PURPOSE OF DETERMINING

THE WHEREABOUTS OF THE BOOKS AND RECORDS OF THIS INCORPORATION. AS SOON AS

INFORMATION IS OBTAINED MR. BANNERMAN CAN BE ADVISED THAT A SUBPOENA WILL BE

RECORDED

INDEXED

61-6328-83

F B I

80 SEP 3 1948

55 SEP 22 1948

ORIGINAL COPY FILED IN 65-56402-352

AIR MAIL - SPECIAL DELIVERY

SAC, New York

August 31, 1948

Director, FBI

GREGORY

ESPIONAGE - R

U. S. SERVICE AND SHIPPING CORPORATION

REGISTRATION ACT

Remytel this date. Attached is a copy of a memorandum dated August 30, 1948, received by the Bureau from the Criminal Division which reflects the investigation requested by the Criminal Division in this matter.

This investigation is considered of vital importance at this time. In regard to the instructions set forth in my referenced teletype you are again advised that this matter should receive constant and immediate attention and that the results of your investigation reach the Bureau by September 3, 1948.

You are instructed to advise the Bureau daily by teletype of the progress of your investigation in this matter. I wish to again call to your attention that the deadline of September 3, 1948, must be met by your Office and I will not accept any excuses for failure to comply with these instructions.

You are instructed to forward the results of your investigation to the Bureau special delivery in a separate envelope, rather than by boxed mail as experience has shown that envelope mail receives more expeditious attention in the Post Office Department at Washington, D. C.

Enclosure

EHM:jb

EX-100-100
A

61-6328-84

F B I

59 SEP 8 1948

337
55 SEP 22 1948

ORIGINAL FILED IN 61-56402-3526

F.B.I. RADIOGRAM

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Egan _____
Mr. Gurnea _____
Mr. Harbo _____
Mr. Mohr _____
Mr. Pennington _____
Mr. Quinn Tamm _____
Tele. Room _____
Mr. Nease _____
Miss Gandy _____

(b)(2)

COPY

FROM NEW HAVEN

9-2-48

NR 021330

9-46 AM

DIRECTOR

UNITED STATES SERVICE AND SHIPPING CORPORATION, REGISTRATION ACT.
RUC REPORT OF SPECIAL AGENT ARTHUR R. STEVENS, MADE AT NEW HAVEN
SEPTEMBER FIRST, FORTYEIGHT SUBMITTED S. D. BUREAU THIS MORNING.

RECEIVED 9-2-48

9-52 AM EDST

RECORDED

61-6328-86
F B I

31 SEP 10 1948

61 SEP 20 1948

(b)(2)

September 1941

58415

Reference is made to your conversation on August 20, 1948 with Assistant Director D. M. Ladd of this Bureau and your memorandum dated August 30, 1948 concerning the captioned matter.

Pursuant to your request there are attached hereto the following investigative reports reflecting the results of the investigation conducted by this Bureau relative to this matter. There are also attached photostatic copies of data which are referred to in the Washington Field Office report, which data was obtained from the Department of Commerce.

Report of Special Agent Robert E. Leonard
dated September 3, 1940 at Washington, D. C.
and enclosures.

Report of Special Agent Arthur D. Stevens
dated September 1, 1945 at New Haven, Connecticut.

Report of Special Agent Joseph E. Kelly dated September 3, 1943 at New York City.

I would appreciate being advised whether you desire any additional investigation in connection with this matter.



11/11/1954

61-6328-88

FBI

55 SEP 8 1948

SEP 20 1948

APR 16 1968

SEP 8 1948

V. J. [illegible]

Dis. [illegible]

Office Memorandum • UNITED STATES GOVERNMENT

TO : THE DIRECTOR

DATE: September 9, 1948

FROM : D. M. Ladd

Time of Call: 12:50 PM

SUBJECT: U. S. SERVICE AND SHIPPING CORPORATION
REGISTRATION ACT

584114

ASAC Belmont called to furnish information supplied by Tom Donegan concerning the latest conference with the Attorney General yesterday, September 8, 1948, relative to the captioned case. Mr. Donegan has advised that the Attorney General wishes to consider the case further here in Washington and will let Mr. Donegan know at the end of this week what he, the Attorney General, thinks.

Mr. Donegan has advised that it was the consensus at the conference that the case involves a mere technical violation. He further stated that the conference felt that prosecution might not be worthwhile since Jacob Golos is dead and they could not name him; since they could not name the informant Gregory; since ~~Lone~~ Harris was merely a messenger; since Roy Elson was only a minor figure and since Reynolds did not know actually what the company was doing. The conference felt that the only two people remaining would be Earl Browder and Gromov, the latter being in Russia as you know.

Mr. Donegan stated that during the conference the Attorney General wanted to know the earnings of the corporation since they might prove something, particularly if any money had been earned. This would give rise to the presumption that there would have been no reason for the corporation to keep going unless for some ulterior motive.

ASAC Belmont said that he gave the earnings of the corporation to Donegan, who would call in the figures to the Department.

ASAC Belmont will advise of any new developments.

EHW:dad

RECORDED - 30

INDEXED - 30

cc - Mr. Fletcher
Mr. Whitson

SEP 22 1948

61-6328-89

[Handwritten signatures and initials, including "Donegan"]

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. L. WHITSON

DATE: September 10, 1948

FROM : MR. D. M. LADD

58413

SUBJECT: UNITED STATES SERVICE AND SHIPPING CORPORATION

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Egan _____
Mr. Gurnea _____
Mr. Harbo _____
Mr. Hendon _____
Mr. Pennington _____
Mr. Quinn Tamm _____
Tele. Room _____
Mr. Nease _____
Miss Holmes _____
Miss Gandy _____

Mr. Tom Donegan, Special Assistant to the Attorney General, called from the Department on September 8, 1948 and stated that the Department had not been able to find a copy of the report showing an interview with Mr. Ropes of the Department of Commerce.

I advised Mr. Donegan that reports had been sent to the Department covering this matter, but at his request I furnished him an additional copy of the report of Special Agent A. R. Stevens, dated at New Haven 9/1/48.

DML:FA

RECORDED - 92

161-6328-90

31 SEP 14 1948

[Handwritten signature]

FILE DESCRIPTION

BUREAU FILE

SUBJECT ELIZABETH T. BENTLEY

FILE NO. 61-6328

SECTION NO. 4

SERIALS 91

THRU

135

NOTICE

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File No: 61-6328Re: ELIZABETH T. BENTLEY

REVIEWED BY

Date: 2/78
(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
91	9/9/48	LETTER NY TO HQ	2	2	
92	9/1/48	LETTER LADD TO LAUGHLIN	1	1	
93	-	"CHANGED TO" MEMO	1	1	SEE SERIAL 3661X-65-56402
94	-	"CHANGED TO" MEMO	-	-	" " 3620X-65-56402
95	9/20/48	LETTER LADD TO HQ	2	2	
96	9/30/48	LETTER HQ TO ANG	2	2	1 N.C.
97	2/26/53	"CHANGED TO" MEMO	1	1	SEE SERIAL - 2 - 134-435
98	8/31/48	MEMO W/ENCL.	17	17	
	9/2/48	LADD MEMO TO DIR.	1	1	
99	2/26/53	"CHANGED TO" MEMO	1	1	SEE: 134-435-3
99x	"	" "	-	-	SEE: 134-435-4
99x1	"	" "	-	-	SEE: 134-435-5
100	-	" "	1	1	SEE: 65-57904-2

File No: 61-4328Re: ELIZABETH T. BENTLEY

REVIEWED BY _____

Date: 2/78
(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
<u>101</u>	<u>2/26/53</u>	<u>"CHANGED TO" MEMO</u>	<u>1</u>	<u>1</u>	<u>SEE - 134-435-6</u>
<u>101x</u>	<u>"</u>	<u>" "</u>	<u>-</u>	<u>-</u>	<u>" " - 7</u>
<u>101x1</u>	<u>"</u>	<u>" "</u>	<u>-</u>	<u>-</u>	<u>" " - 8</u>
<u>101x2</u>	<u>"</u>	<u>" "</u>	<u>-</u>	<u>-</u>	<u>" " - 9</u>
<u>102</u>	<u>"</u>	<u>" "</u>	<u>1</u>	<u>1</u>	<u>SEE 134-435-10</u>
<u>102x</u>	<u>"</u>	<u>" "</u>	<u>-</u>	<u>-</u>	<u>" " - 11</u>
<u>102x1</u>	<u>"</u>	<u>" "</u>	<u>-</u>	<u>-</u>	<u>" " - 12</u>
<u>102x2</u>	<u>"</u>	<u>" "</u>	<u>-</u>	<u>-</u>	<u>" " - 13</u>
<u>103</u>	<u>"</u>	<u>" "</u>	<u>1</u>	<u>1</u>	<u>SEE 134-435-15</u>
<u>103x</u>	<u>"</u>	<u>" "</u>	<u>-</u>	<u>-</u>	<u>" " - 16</u>
<u>103x1</u>	<u>"</u>	<u>" "</u>	<u>-</u>	<u>-</u>	<u>" " - 17</u>
<u>104</u>	<u>"</u>	<u>" "</u>	<u>1</u>	<u>1</u>	<u>SEE 134-435-20</u>

File No: 61-6328Re: ELIZABETH T. BENTLEY

REVIEWED BY _____

Date: 3/78

(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
105	2/26/53	" CHANGED TO " MEMO	-	-	SEE - 134-435-22
106	"	" "	-	-	" " " -23
107	"	" "	-	-	" " " -21
108	"	" "	-	-	" " " -25
109	1/22/51	" "	1	1	SERIAL IN - 100-23331-14X
110	2/26/53	" "	1	1	SEE - 134-435-30
111	"	" "	-	-	SEE - 134-435-31
112	"	" "	-	-	" " " -33
113	2/27/51	" "	1	1	SERIAL IN - 100-23331-18X
114	"	" "	-	-	SERIAL IN - 97-3030-1
115	"	" "	-	-	SERIAL IN - 97-3030-2
116	6/13/51	" "	1	1	SERIAL IN - 97-3030-2X

File No: 61-6328Re: ELIZABETH T. BENTLEY

REVIEWED BY _____

Date: 2/78
(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
117	2/26/53	"CHANGED TO" MEMO	1	1	SEE - 134-435-73
NR	5/9/51	LETTER NICHOLS TO TOLSON	1	1	
-	5/11/51	SEARCH SLIPS	3	3	
118	5/6/51	LETTER BELMONT TO LADD	13	10	REFERRED
119	2/26/53	"CHANGED TO" MEMO	1	1	SEE - 134-435-44
120	2/26/53	" " "	1	1	SEE - 65-56402-3916X
121	"	" " "	-	-	" " " - 3916X1
122	2/26/53	" " "	7	7	SEE - 134-435-76
123	"	" " "	-	-	" " " - 51
124	2/26/53	" " "	1	1	SEE - 65-56402-3882X
125	2/26/53	" " "	1	1	SEE - 134-435-53
NR	11/30/51	LETTER HQ TO GOV. AGENCY	5	0	REFERRED

File No: 61-6328Re: ELIZABETH T. BUNTLEYREVIEWED BY llwDate: 2/78
(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
NR	10/2/51	LETTER HQ TO NY	2	2	
NR	8/8/51	LETTER NY TO HQ	5	0	Referred
NR	2/14/52	LETTER HQ TO NY	1	1	Best copy available
NR	1/30/52	LETTER BOV. AGENCY TO HQ	2	0	Referred
NR	2/14/52	LETTER HQ TO AGENCY	2	2	Best copy available
NR	3/12/52	LETTER NY TO HQ	2	2	
NR	4/4/52	LETTER HQ TO AGENCY	2	2	
126	4/13/52	LETTER AG TO HQ	1	0	Referred
126	5/9/52	LETTER - HQ TO NY	7	0	Referred
127	2/26/53	"CHANGED TO" MEMO	1	1	SEE 134-435-55
128	2/26/53	"CHANGED TO MEMO	+	+	" " " -57
129	"	" " "	+	+	" " " 56

File No: 61-6328Re: ELIZABETH T. BENTLEYREVIEWED BY slwDate: 4/78
(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
130	2/26/53	CHANGED TO MEMO	-	-	SEE 134-435-60
NR	6/16/52	LETTER WFO TO HQ	2	0	REFERRED
131	6/8/52	LETTER AAG TO HQ - W/COPI	2	0	REFERRED
131 OUT.	8/14/52	LETTER HQ TO NY	1	1	
132	8/14/52	LETTER HQ TO AAG	1	1	
NR	8/19/52	LETTER HQ TO AAG	1	1	
133	2/26/53	"CHANGED TO" MEMO	1	1	SEE 134-435-61
134	2/26/53	"CHANGED TO" MEMO	-	-	SEE 134-435-67
135	10/15/52	LETTER HQ TO NY	1	1	

U. S. Department of Justice

MATERIAL MUST NOT BE REMOVED FROM OR ADDED TO THIS FILE

FEDERAL BUREAU

of

INVESTIGATION

USE CARE IN HANDLING THIS FILE

Transfer-Call 421

61
6328

SECTION 4
SERIALS 91-135

Director, FBI

September 9, 1948

SAC, New York City

GREGORY
ESPIONAGE - R
REGISTRATION ACT

UNITED STATES Service and Shipping Corp.

Re report SA Joseph V. Kelly dated September 3, 1948.

On September 9, 1948, Mr. Thomas J. Donegan, Special Assistant to the Attorney General, advised that while conferring with Attorney General Clark on September 8, 1948, in connection with instant matter, the Attorney General requested that he be advised of the profit or loss earned by the U. S. Service and Shipping Corporation during its corporate existence. Inasmuch as this information is readily available from financial records of the corporation, on September 2, 1948, an examination of the profit and loss statements was made and the following recapitulation of the finances of the corporation was prepared by Special Agent (A) Albert T. Healy:

(b)(3)
(b)(c)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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JJK:RAA
65-14603

61-6328-91

SEP 15 1948

65-56402-3548

JFK:RAA

65-14503

New York, N. Y.

The foregoing data were furnished to Mr. Donegan on this date, and as he had been requested, he furnished these figures telephonically to Assistant Attorney General Alexander Campbell of the Criminal Division.

cc - Washington Field

TO : MR. L. L. LAUGHLIN

DATE: September 3, 1948

FROM : MR. D. M. LADD

18317

SUBJECT: GREGORY CASE

U.S. Service & Shipping Corp. Reg Act.

Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Gandy

On August 30, 1948, I received a telephone call from Mr. Alexander Campbell in the Department who referred to the possible Registration Act violation being considered against the United States Service and Shipping Corporation. He requested that the inquiry at the Department of Commerce, which had previously been requested, be expedited.

In connection with this matter, he informed me that he was assigning Mr. Fred Strine and Mr. George Kneip to go to New York to assist Mr. Donegan.

DEL:FA

*NY requested to expedite
by teletype telephone 6-6328-92
8/31/48*

*Let Ladd
9/1/48
Ladd
9/4/48*

*File 6
DND*

N 12

.61-6328-93, 94

CHANGED TO

65-56402-3661X, 3620X

DATE: September 20, 1948

TO : THE DIRECTOR
 FROM : D. M. LADD
 SUBJECT : GREGORY

Mr. F. J. Donegan called me from New York today in connection with the above entitled matter. He stated that a week or so ago he had conferred with the Department relative to the possible Registration Act case against the U. S. Shipping and Service Company, that the Department had taken it under advisement and advised that they would inform Mr. Donegan of their decision, that as yet, he has not had any reply. He stated that Friday night, September 17, he had received a telephone call from Mr. Peyton Ford of the Department asking Donegan to meet the Attorney General at Monticello, New York, where the Attorney General had gone to make a speech. As a result, Donegan stated he had seen the Attorney General at 2:30 Sunday morning.

The Attorney General asked Donegan whether the Grand Jury could return a presentment. Mr. Donegan stated he advised the Attorney General that a presentment could be returned but if the Grand Jury did decide to this, it would probably be critical of the Perlo situation (This being the question of Treasury's retaining Perlo on the payroll for an extended period after the information was available.) The Attorney General informed Mr. Donegan that this was based on a request of the Director that certain of the employees be left pending an investigation. Mr. Donegan stated he advised the Attorney General that this was not the way he understood it, that this whole matter had been gone into before and that to his knowledge the Bureau had not made any such request. The Attorney General said he had a note from the Director on this. (The Attorney General was apparently referring to a longhand note of the Director on a memorandum transmitting one of the summaries to the Department in which longhand note the Director suggested that dissemination of the information be kept to a minimum.) Mr. Donegan stated he suggested that it might be well to call Elizabeth Bentley back before the Grand Jury to see if the corporation had been used as a tool by this group, but that the Attorney General did not reach any decision as to the Registration Act case.

Mr. Donegan stated he received a telephone call from Vincent Quinn, the Attorney General having called Quinn and asked him to get in touch with Donegan to discuss the case with him. Donegan was somewhat incensed to think the Attorney General was asking Quinn to have Donegan keep the Grand Jury lined up. Mr. Donegan stated he feels as a result of the interview that if a presentment is returned there will be some criticism of inactivity.

United States Service And
 Shipping Corporation

61-7574-5474
 65-344548-13

RECORDED 109
 61-6378-95
 F B I

Mr. Donegan further informed me that he received a telephone call today from Ray Whearty in the Department who stated that Dr. Jensen, President of the Board of Education in New York, wanted information concerning Alexander Koral's testimony before the Grand Jury inasmuch as Koral was working for the Board of Education. Mr. Whearty wanted to know about furnishing this information to Dr. Jensen. Mr. Donegan stated he advised Mr. Whearty that he did not oppose the furnishing of such information but that it would have to be obtained legally by a court order if it was furnished..and that if this was done in this case, it would be establishing a precedent for future cases.

DAL:JAD

CONFIDENTIAL

Assistant Attorney General Alexander M. Campbell
Criminal Division
The Director, FBI

September 30, 1948

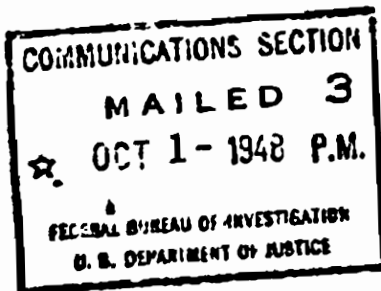
THE GREGORY CASE

UNITED STATES SERVICE AND SHIPPING
CORPORATION; REGISTRATION ACT.

Reference is made to my memorandum to you dated September 7, 1948, enclosing investigative reports reflecting the results of investigation conducted by this Bureau with respect to the United States Service and Shipping Corporation.

I would appreciate being advised whether you desire any additional investigation in connection with this matter.

FLJ/de



RECORDED

61-6328-96

RECEIVED
FBI
OCT 30 3 40 PM '48
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease
- Miss Gandy

CONFIDENTIAL

Assistant Attorney General Alexander M. Campbell
Criminal Division
The Director, FBI

September 30, 1948

THE GREGORY CASE

UNITED STATES SERVICE AND SHIPPING
CORPORATION; REGISTRATION ACT.

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I would appreciate being advised whether you desire any additional investigation in connection with this matter.

FLJ/de

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61-6328-97
CHANGED TO
134-435-2

FEB 26 1953

/s. .

Memo to: *Asst. Director*Date: *1-31*

SAC _____

Title: _____

ASAC _____

Supervisor _____

Agent _____

Steno _____

Clerk _____

Chief Clerk _____

File No. _____

ACTION DESIRED

Assign to _____

Open Case _____

Acknowledge _____

Prepare assignment cards _____

Bring File _____

Prepare Tickler _____

Call Me _____

Reassign to _____

See Me _____

Recharge serials _____

Correct _____

Search and Return _____

Delinquent _____

Send serials _____

Expedite _____

to _____

File _____

Submit new charge-out _____

Leads need attention _____

Submit report by _____

Type _____

Return Serials _____

Undeveloped leads in your district awaiting attention.

*per T. J. Donegan
request. He said he
talked to you re
this Belmont*

S.A.C. _____

Office _____

(In intra office use return this with notation as to action taken or explanation.)

2/1/48

possible indictment of Service
and Shipping Corp. and under the
Foreign Agents Registration Act.

the testimony that would be expected in such a case will be set forth at the beginning of this memorandum under the names of the respondents, witnesses.

ELIZABETH TRULLY SPATCO

MENTLEY became a regular member of the Communist Party in March 1935 while doing postgraduate work at Columbia University, New York City. She was shipping her activities up to the time when U. S. Service and Shipping enters the picture. MENTLEY met JACOB GOLOS in about October 1938 through Communist Party Headquarters. She did not learn his true identity until the end of 1939 when she discovered who he was and that he was President and Sole Owner of World Communist, Inc.

HERSLKY performed various services for GOLOS both before and after learning his identity. She can identify him definitely in her word as believed, as a Russian espionage agent. He and BROWDER were looking for someone to head a front organization for the Communist Party, and in the fall of 1940 GOLOS explained to HERSLKY the idea of creating an American corporation which would handle tourists, shipping, and other matters between the United States and Russia. GOLOS told HERSLKY he had discussed the matter with EARL BROWDER and they were looking for someone to head the proposed corporation. GOLOS also told her that BROWDER had discussed the matter with LEO HARRIS.

1. HARRIS introduced JOHN H. REYNOLDS to BROWDER after the latter had asked him to find him a business man for this corporation. As a result of this meeting with BROWDER, the corporation was formed on February 20, 1941. The total capital put up was \$20,000, of which BENTLEY says \$15,000 was put up by BROWDER for the Communist Party. The remaining \$5,000 was put in by REYNOLDS personally.

BENTLEY believes that it was Communist Party money, but she admits that there were conflicting stories as to whether it was that or was contributed by a wealthy sympathizer. In any event, HARRIS did in fact deliver \$15,000 to REYNOLDS. In April 1941, the corporation started business in New York, consisting basically of shipping packages to Russia under licenses obtained by means of a contract negotiated with Intourist, a branch of Amtorg in Moscow. REYNOLDS was President and Treasurer, BENTLEY was Vice-President and Secretary, MAX SPECTOR was Assistant Treasurer, and one of the directors was the senior partner of REYNOLDS' law firm, REID IL CARR. REYNOLDS also became Vice-President of World Tourists, Inc. GOLOS' corporation. REYNOLDS had first met GOLOS in November 1940.

REYNOLDS and GOLOS became very close friends but, although she indicated to BENTLEY that he knew GOLOS had very big shot connections in RUSSIA and in American Communist circles, she never indicated that he knew GOLOS was a Russian espionage agent.

In December 1942, REYNOLDS went on active duty as a Major in the Army and was discharged as a Lieutenant Colonel about June 1, 1946. When he went on active duty BENTLEY took over the affairs of U. S. Service and Shipping and ran it from then on. REYNOLDS had very little to do with the business during this time.

Before and during the time when BENTLEY assumed actual direction of the corporation, she was extremely active in espionage work for Russia. The bulk of it will not be set forth in this memorandum. However, she was a Vice-President of U. S. Service and Shipping during nearly all of the pertinent period.

GOLOS was her Russian contact until he died on November 25, 1943. Thereafter "Bill" and "Jack", neither of whom have

never been identified, were her Russian contacts. In the fall of 1944, BENTLEY demanded to meet someone higher up and Jack introduced her to "Al" who was Anatoli D. Gromov, First Secretary of the Russian Embassy until he returned to Russia in December 1945. She met Al eight or ten times.

In early 1945, Jack asked BENTLEY to contact BROWDER and discuss with him the possibility of setting up a cover company of some kind, to serve as a front for an unidentified Russian agent. Jack said BROWDER should select as a front for the business someone whose normal activities would cloak the exchange of considerable money. BENTLEY took the matter up with BROWDER, who was to discuss it with a certain individual, identity unknown to BENTLEY, who had been suggested to the Russians by a Communist official. BROWDER was reluctant to approach this individual, indicating to BENTLEY that the man was useful to him already.

At about the same time "Al" and "Jack" began telling BENTLEY she should get out of U.S. Service and Shipping. "Al" finally told her she would have to do so immediately, and also disassociate herself from World Tourists. MRS. RAY ELSON, a Communist active in espionage work, was finally chosen by the Russians and "Jack" introduced her to BENTLEY. ELSON, according to "Jack," would be a reliable replacement for BENTLEY in U.S. Service and Shipping. ELSON was accordingly hired and BENTLEY broke her in before leaving the corporation. The reason for replacing BENTLEY with ELSON, according to what BENTLEY says she was told by Al, Jack, and BROWDER, was that (1) the Russians decided to take over either U.S. Service and Shipping or World Tourists as a front, and finally decided on the former, and (2) Al said BENTLEY could become a valuable member of his organization so someone else should replace her.

in the corporation.

In April 1945, ELSON, BENTLEY, and REYNOLDS met BROWER in the home of one FRED WILDS in New York. According to BENTLEY, at this time Al was endeavoring to get REYNOLDS out of U.S. Service and shipping so that it could be taken over completely by the Russians. BROWER told REYNOLDS that business was very poor and that he thought REYNOLDS should get out of it now by selling out to ELSON—that this business was not worth while enough for a big shot like REYNOLDS. However, although REYNOLDS was still in the Army, he did not sell out. BENTLEY arranged a meeting between Al (GROMOV) and REYNOLDS at the Vanderbilt Hotel in New York in the spring of 1945. Apparently, GROMOV did not bring up the subject of REYNOLDS getting out of U.S. Service and shipping, but he made a subsequent date to meet REYNOLDS, at which time, however, GROMOV failed to show up. He later told BENTLEY that he never intended to, that he merely wanted to see REYNOLDS. In May 1945, BENTLEY resigned from U.S. Service and shipping on the instructions of Al and Jack. They talked to her about going to Russia via Mexico for training, but she was not enthusiastic and Al finally stopped talking about it.

During the summer of 1945 BENTLEY was more or less on vacation, since Al had told her to take a rest. However, she saw him in Washington a couple of times in June and again in August, when ELSON told her that Al wanted to see her. As late as August Al was telling her to enjoy her vacation, sever all contacts with REYNOLDS, and then come back and discuss with him what business she would go into.

In October, ELSON told her Al wanted to see her again, and she met him in New York on October 17. Al gave her \$2,000 in cash, which she turned over to the FBI. By this time she had contacted them and told them her story. Her last meeting with Al was on November 20, 1945. BENTLEY had then decided to go back into U. S. Service and Shipping, and Al said, since she had made her choice, they would not discuss the matter or other work. A date for January 20 was made, but Al did not show up (although BENTLEY did not know it at the time he had left for Russia the preceding month). BENTLEY did in fact go back to the U. S. Service and Shipping and remained with it until it went out of business in the fall of 1946.

This is a brief narrative history of U. S. Service and Shipping in connection therewith. However, the following items are extremely important in showing whatever tie-up there was between it, the Communist Party, and Russia.

GOLOS and REYNOLDS were close friends. REYNOLDS was a Vice-President of World Tourists, Inc. even while he was in the Army, and BENTLEY was an espionage agent for GOLOS.

When GOLOS died BENTLEY, as he had previously requested, turned a great deal of his material and delivered \$14,000 or \$15,000 of his money to BROWDER. (Later she gave him \$3,000 more.) BENTLEY was in constant contact with BROWDER. She can also testify to close contact between GOLOS and BROWDER.

REYNOLDS made World Tourists, Inc. the sub-agent for U. S. Harries and Shipping. The two offices were just across the street and GOLOS and BENTLEY were back and forth every day. GOLOS acted in an advisory capacity to U. S. Harries and Shipping, although REYNOLDS was rather too independent to take much advice.

GOLOS told BENTLEY to type up the information she received with one carbon copy. He said that, since all his agents had been obtained by BROWDER, he would give BROWDER certain kinds of the information. GOLOS would take him the carbon copy, BROWDER would read it, and then GOLOS either had BENTLEY destroy it or would put it in his safe. BENTLEY took information to BROWDER after GOLOS died in November 1943. The Russians had been trying to "take over" the people who were giving GOLOS information, particularly the SILVERMASTER group, and GOLOS and BENTLEY had been opposing this. When GOLOS died BENTLEY went to BROWDER in an attempt to "rescue" these people from the Russians, particularly MARY PRICE. BROWDER indicated that he would do what he could, but he never accomplished anything. As to MARY PRICE, BROWDER finally said that the Russians had "taken her over" and he could do nothing about it. When "Bill" told BENTLEY he wanted to take over the SILVERMASTER group, she went to BROWDER, who told her to stand her ground, but later the Russians sent somebody to see BROWDER and he told her to take SILVERMASTER to "Bill", which she did. BENTLEY collected Communist dues from the people who were supplying her with information and turned it over to BROWDER.

In the winter of 1944-1945, when "Jack" was BENTLEY's contact, he asked her to have BROWDER get somebody who was

furnishing information into the Merchant Marine so he would not be drafted and accordingly unable to keep on furnishing information. She mentioned it to BROWDER but the war was started too quickly.

When REYNOLDS paid back some of the \$15,000 loan, he gave \$3,000 of it to BROWDER.

In June 1945, about the time when Al was persuading BENTLEY to leave U. S. Service and Shipping, BROWDER made her a proposition to leave U. S. Service and Shipping and run World Tourists, Inc.

Shortly after BENTLEY met Al, U. S. Service and Shipping was having trouble with the terms of its renewal contract with Intourist. She told Al about this and very shortly thereafter the matter was straightened out.

When BROWDER went to Russia just before he was deposed as leader of the American Communist Party in the summer of 1945, REYNOLDS asked him to straighten out another renewal of the corporation's contract with Intourist. When BROWDER came back he said he had been unable to do anything.

On her last meeting with BROWDER in October 1945, she discussed U. S. Service and Shipping. She had told him previously that the Russians intended to take it over, on instructions from the Russians. She told him the Russians would repay him the \$15,000 he had originally put up. In October BROWDER told her that the Russians had definitely decided to take over the corporation, and that though they were slow in putting the money up, they would probably do so in the near future.

In the fall of 1945, after BENTLEY had gone back to U. S. Service and Shipping, Al told her he would do what he could to fix up the contract renewal in Russia, but he didn't do anything.

LEW HARRIS frequently brought sums of money, undoubtedly Communist funds, and would leave them for various periods of time in the safe deposit box of U.S. Service and Shipping.

The foregoing, of course, does not attempt to detail the espionage activities of BENTLEY or her contacts with her informers, all of which would be somewhat pertinent in the light of the fact that she was an officer of the corporation during the time in question.

JOHN HAZARD REYNOLDS

REYNOLDS met LEW HARRIS, who he thought was probably a Communist, in 1937 or 1938. He met GOLOS first in the fall of 1940 and BENTLEY shortly thereafter.

HERBERT GOLDFRANK, who is with "New Masses" and whom REYNOLDS always thought was a Communist, introduced him to GOLOS. GOLOS asked whether REYNOLDS would be interested in organizing and financing a corporation to ship parcels to Russia under a license and contract with Intourist. GOLOS admitted that he and his previously created corporation, World Tourists, had already been convicted under the Foreign Agents Registration Act.

REYNOLDS was interested but thought it necessary first to make inquiries about GOLOS, so he went to EARL BROWDER, who he considered the fountainhead of all information about matters pertaining to the Communist Party. He wanted it understood that anything he might do would be along business lines only with no political aspects, and he felt that that point could never be clarified unless he talked to BROWDER and was assured that the venture would be purely business. BROWDER did not tell him that GOLOS was a Soviet espionage agent or that he was a Communist, although REYNOLDS assumed that GOLOS was a

communist. BROWDER did say, however, that if GOLOS said there would be no political activity in the proposed corporation REYNOLDS could take his word for it.

REYNOLDS had no political motive whatever, but thought it would be beneficial to the United States and profitable to him if trade could be promoted between Russia and the United States. Therefore, he told GOLOS he was interested in forming the proposed business, but purely on a business basis, as he knew the delicacy of the situation. REYNOLDS also saw his lawyers and was warned to have no political motives of any sort. Accordingly, U.S. Service and Shipping was created and began business in April 1941.

The sum of \$20,000 was put up for the business. REYNOLDS insisted he would have to be given \$15,000 to protect him. As he testified before the grand jury, he was afraid the Communist Party would use the corporation for its purposes and, therefore, he wanted a sum of money on hand so that if anything went wrong he could drop out and not be out money. In addition, he had to put up \$10,000 with Intomist to get the contract with it, but he denied that the \$15,000 was used for that purpose. In any event, two weeks after the corporation was formed, HARRIS brought REYNOLDS \$15,000 in cash. REYNOLDS did not know where it came from; sometimes he was told it was from BROWDER and other times HARRIS said he had collected it, but REYNOLDS felt that it was BROWDER'S money in a personal rather than a party sense. The \$15,000 was never entered on the corporation's books and REYNOLDS insisted that it was his own money; that is, a personal loan to him and not corporate funds. In any event, the practical result was that of the \$20,000 financing REYNOLDS actually

put up only \$5,000 when it is considered that he was given this \$15,000 for no possible reason other than to finance the corporation.

REYNOLDS insisted that he was not doing business with the Communist Party, but was afraid to deal with a party with its opprobrium without some protection, so he wanted the \$15,000 from the head of the party to insure there would be no political interference. BROWDER never asked for its repayment, although REYNOLDS told him he was going to do so and did pay him \$3,000 in about January 1945. While REYNOLDS

was in the army, BENTLEY ran the business, except for the time in 1945 when she resigned and later came back in the spring or summer of 1945, while he was in the army. BENTLEY introduced him to a Mr. PAUL in the Vanderbilt Hotel, who was supposed to be a representative of one of the Russian trade bureaus who might be helpful in renewing the contract with Entourist. The whole conversation hinged on the contract renewal. PAUL said he was an old friend of GOLOS and BENTLEY and that he could not give his status with the Russian government. However, BENTLEY had previously said PAUL was a Russian official, and REYNOLDS recalls telling BENTLEY and his wife that he thought PAUL was a Soviet agent. He did not know

~~any more~~ that PAUL was GROMOV, First Secretary of the Russian Embassy.

REYNOLDS had two contacts with BROWDER while in the army, but never mentioned PAUL to BROWDER. He attended the meeting with BROWDER, BENTLEY, and RAY ELSON, where the question of BENTLEY resigning and ELSON buying into the corporation was discussed. He did not sell out, however, although ELSON worked for U.S. Service and Shipping for a while.

16
He has repaid most of the \$15,000, some to HARRIS and \$3,000 to BROWDER. There was no uncertainty in his mind that the money came from BROWDER, but when the Party discharged BROWDER he knew there would be an internal fight as to who would get it back.

HARRIS deposited money in the corporation's safe deposit box on occasions, but REYNOLDS did not know that it was Communist money.

WILEY HARRIS

HARRIS would be of no value as a Government witness, both because he is hostile and because he would refuse to answer many questions on the ground of self-incrimination. When asked before the grand jury whether he was a Communist, he refused to answer, but he is a well-known member of the Party. He also refused to answer several other questions and what he did say was as innocuous and unhelpful to the Government as he could make it. However, he did give certain information.

He is a friend of EARL BROWDER and knew GOLOS since 1935. He met REYNOLDS and BENTLEY in connection with the recreation of U.S. Service and Shipping.

He admitted that he was the person who took the \$15,000 to REYNOLDS, but he maintained that it did not come from BROWDER and that when he turned it over to REYNOLDS there was no conversation which would have indicated it came from BROWDER. HARRIS maintained that a friend of his, one ABRAHAM WEILD, who was killed in the Normandy Invasion, asked him to give the \$15,000 to REYNOLDS as a loan. He insisted that the reason why he was used as an intermediary was that his friend WEILD did not know REYNOLDS, but knew that HARRIS was acquainted

with REYNOLDS. HARRIS thought he obtained the money from HEID in a New York restaurant and turned it over to REYNOLDS in the latter's apartment, Mrs. REYNOLDS probably being present. If the money was in cash, HARRIS asked for and received no receipt, no interest was to be paid, and he said nothing about the money coming from HEID. REYNOLDS took the money and did not ask where it came from.

Later HARRIS told the lawyer for HEID's widow about this money, but he never told her or turned any of it over to HEID's estate when REYNOLDS repaid him in part. REYNOLDS repaid \$5,000 in March 1945, and later the remaining claim was settled for \$7,000. He understands that REYNOLDS paid \$43,000 of the sum to BROWDER, so that HARRIS actually got back \$12,000 of the \$15,000. He still has this money, and while he does not consider it his own in the sense that he would use it for personal purposes, he would use it for other purposes which he did not elaborate upon.

He also admitted depositing \$10,000 cash on one occasion, and perhaps other cash on another occasion, in the safety deposit box of U.S. Service and Shipping. When asked whether this money was Communist Party funds, he refused to answer on the ground that it might incriminate him, and when asked whether he had ever consulted BROWDER about the disposition of money in his possession, he refused to answer on the same grounds.

EARL BROWDER, RAY ELSON

These people would not, of course, be Government witnesses. They refused to testify before the grand jury on the ground of self-incrimination.

JACOB GOLOS

GOLOS died November 25, 1943.

ALL-2011-1 and JACK

These people, of course, would not be available.

On March 25, 1941, REYNOLDS executed, on behalf of the corporation, a Registration Statement under the Foreign Agents Registration Act. He listed INTCOURIER as the foreign principal, and stated that the corporation's only compensation for business transacted would be fees collected from persons shipping parcels to Russia. In the course of further correspondence with the State Department, REYNOLDS' law firm submitted a statement that the corporation did not engage in any activity for a foreign or domestic principal, except as set forth in the registration statement. He was finally told by the State Department that the corporation did not have to register. In August 1942, when administration of the Act had been transferred to the Department of Justice, REYNOLDS submitted an affidavit stating that the activities of the corporation were non-political and were merely bona fide commercial activities. In 1946, however, as a result of conferences with the Department of Justice, the corporation was advised that it would have to register under the Act, but it immediately went out of business by terminating its agreement with INTCOURIER. The Department notified it on November 1, 1946, that under such circumstances registration was not necessary.

- 13 -
SUMMARY

It is apparent that a prosecution for failure to register under the Foreign Agents Registration Act would serve little purpose. Not only would prosecution of the substantive offense be clouded by what transpired in the dealings in the State Department, but the only defendants would be REYNOLDS, BENTLEY, and the defunct corporation, U.S. SERVICE AND SHIPPING.

The only prosecution worth undertaking would be an overall conspiracy under the Foreign Agents Registration

Act involving the persons named above. The theory would

be that the Communist Party and Russian authorities, in the persons of GOLOS and BROWDER, conceived the idea of setting up a front organization to use for their purposes

in the United States. With WORLD TOURISTS and GOLOS con-

vinced under the Foreign Agents Registration Act, another

organization was needed, so they created U.S. SERVICE and

SHIPPING and financed it with \$15,000 from the Communist

Party. They selected REYNOLDS as the figurehead and placed

BENTLEY as Vice-President since she was already doing

espionage work for Russia and GOLOS planned to use her more

extensively.

Thus the corporation was created and used mainly as a

cover for BENTLEY, i.e., to give her an apparent legitimate

occupation while she was doing espionage work, and also as

one of the many places where the Communist Party through

HARRIS could temporarily leave its funds for safekeeping.

Later on the Russian government thought it might use the

corporation for other front purposes, so through GROMOV they

tried to take it over by replacing REYNOLDS with their own

ELSON. MENTLEY was to be told, too, since she was so valuable and was to be promoted in the espionage service. This part of the conspiracy was unsuccessful, but it was still a part of the conspiracy.

Thus there could be charged a conspiracy, by the foregoing scheme, to violate the Foreign Agents Registration Act

22 U.S.C. 618, by willfully omitting from the statement of registration the material facts that the corporation was financed by Communist Party funds, that MENTLEY would engage

in political and espionage activities in her capacity as an officer, and that the corporation (through its officer

MENTLEY) would engage in activities other than acting as a shipping agent under licenses from INCOURIS, by willfully

misstating a material fact in the answer to question 1 (Statement of nature of business) and possibly question 2 (Compensation or income to be received) by fraudulent

avoiding registration by inducing the State Department through these omissions and misstatements to tell the corporation it did not have to register when (C would not have done

so if it had known the true facts) by so deceiving the State Department by saying in the supplemental statement that it

had no principal, foreign or domestic, except INCOURIS when in truth the Communist Party was a domestic principal, and by

misstating to the Department of Justice in ELSON's affidavit for the purpose of continuing the deception, that the corporation engaged in no political activity.

The above would seem to constitute a conspiracy under the Foreign Agents Registration Act. It could also be charged

as a conspiracy to defraud the United States under 18 U.S.C. 1343 of and concerning its governmental rights to administer the

Foreign Agents Registration Act and not be misled into telling a corporation it did not have to register when it would not have done so except for concealment and misstatements of material facts.

There are one factual and two policy difficulties. The case would have to depend entirely upon HENTLEY's story with virtually no corroboration. REYNOLDS could help establish that the \$15,000 was Communist Party money, but the jury would have to be satisfied from HENTLEY alone that GOLOS was a Russian official engaged in espionage, and that the rest of her story about GROMOV and her activities were true. If she would have to testify—which might mean she would have to be named as a co-conspirator and not as a defendant, and she would have to be believed. If that happened, her story would probably be enough.

From policy considerations, first GROMOV and GOLOS would have to be named, which would be tantamount to indicting the Russian government. Second, the whole HENTLEY story, or most of it, would have to be rehearsed, this time in court. The indictment should name, either as defendants or co-conspirators, GROMOV, REYNOLDS, HARRIS, HENTLEY, GOLOS, ELSON, GROMOV, U.S. SERVICE and SHIPPING, WORLD TOURISTS, and perhaps the Communist Party, "Bill" and "Jack." Moreover, it should charge a conspiracy both to defraud the United States and to violate the Foreign Agents Registration Act, on the theory of the Manton, Johnson, etc., cases.

U.S. Shipping and Service Company

Office Memorandum • UNITED STATES GOVERNMENT

TO : THE DIRECTOR

DATE: September 2, 1948

FROM : Dr. M. Ladd

SUBJECT:

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Gandy

Mr. Donegan when he was in my office last week stated he had a memorandum prepared in the Criminal Division summarizing the possibility of prosecuting the U. S. Service and Shipping Company for violation of the Registration Act. He stated that when he arrived in New York he would have a copy transmitted to the Bureau on a confidential basis. The same is attached.

Attachment

DML:dad

RECORDED - 139

INDEXED - 139

61-6328-98

4 OCT 27 1948

G. I. R. 3

139 60-12

DEC 10 1948

[Handwritten signature and initials]

61-6328-99, 99x, 99x1
CHANGED TO
134-435-3, 4, 5

FEB 26 1952

61-6328-100

CHANGED TO

65-57904-X

61-6328-101, 101X, 101X1, 101X2
CHANGED TO
134-435-6, 7, 8, 9.

FEB 26 1953

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61-6328-102, 102X, 102X1, 102X2
CHANGED TO
134-435-10, 11, 12, 13

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61-6328-103, 103X, 103X1
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134-435-15, 16, 17

FEB 26 1953

61-6328-104, 105, 106, 107, 108, ✓ (10-16-5)
CHANGED TO
134-435-20, 22, 23, 24, 25 ✓

FEB 26 1953

hif

3 JAN 22 1951

61-6328-109
CHANGED TO
100-63331-14X

61-6328-110, 111, 112 ✓ (4/24/51)
CHANGED TO
134-435-30, 31, 33, ✓

FEB 26 1953

FEB 27 1951

61-6328-113,114,115

CHANGED TO

100-23331-18X

97-3030-1,20

61-6328-116

CHANGED TO

97-3030-2X

1/13/51
AK

✓

61-6328-117
CHANGED TO
134-435-43

FEB 26 1953

May 9, 1951

MR. TOLSON

L. B. NICHOLS

WORLD TOURISTS

MCCARRAN COMMITTEE REQUEST

Don Connors of the McCarran Internal Security Subcommittee has requested brief background information on the makeup and organization of World Tourists. He is particularly interested in anything we could furnish regarding actual propaganda activities and espionage activities carried on, as well as any case concerning the organization where the convictions would be a matter of public record.

LBN:FML

cc - Mr. Ladd
Mr. Laughlin

U.S. MAY 26 1951

61-6328-✓
NOT RECORDED

42 5-18-51

INITIALS ON ORIGINAL

62-88817-57
FILED IN

Subj:

World Tourists

Address: _____

Birthdate: _____

SUPV: _____

Misc: _____

R# _____

Date

5-11

Searcher

Initial

*/53*FILE NUMBERSERIALS*61-6328**61-6328-A**approx 50 sus*

Subj

World Tourists

Address:

Inc

Birthdate:

SUPV:

Misc:

R#

Date

5-11

Searcher

Initial

153

FILE NUMBER

SERIALS

100-23331-apt

61-7574

~~54-603-apt~~

approx 175 sec

Subj: World Tourists

Address: Agency

Birthdate: _____ SUPV. _____

Misc: _____

R# _____ Date 5-11 Searcher Initial 153

FILE NUMBER

SERIALS

NR

World Tourist, Inc.

61-6328

97-3030 (Myrtle) ✓

X 100-23331 abstract forward NO

I 54-603 Serial missing case

app 45 new

File
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2010

61-6328-119
CHANGED TO
134-435-44

FEB 26 1953

1-1-6

61-6328-120, 121
CHANGED TO
65-56402-3916X, 3916X1

FEB 26 1953

61-6328-122,123
CHANGED TO
134-435-46,51

FEB 26 1953

61-6328-124
CHANGED TO
65-56402-3882X

FEB 26 1953

True

61-6328-125-√(5/8/52)
CHANGED TO
134-435-53✓

FEB 26 1953

1718

105-761 (105-761)

October 2, 1951

WORLD TOURIST, INCORPORATED
105-761 (105-761)
World Tourist
105-761 (105-761)
105-761 (105-761)

October 1, 1951

It is requested that your office procure
on a regular basis the receipts and confirmation of
the receipt of the type described as referenced
later. As you have pointed out, you obtained the receipts
from the U.S. Customs Inspector, New York City,
photostated them, and then translated the information there-
from from Russian to English, which is an expensive and time-
consuming process. The sending of these parcels through
World Tourist, Incorporated, providing the contents are
not prohibited items, is entirely not illegal and
is not of the Bureau's responsibility to monitor
this traffic.

It will be noted the receipts in question bear
very little identifying information concerning the sender
other than the sender's address and his name. In some
cases only the last name and initial are shown. For your
information, a search of the Bureau indices (restricted
to the State of the sender's residence), revealed there
is no record for identifiable information with any of the
senders of parcels except the following:

(b)(1)

[REDACTED]

cc - Los Angeles (105-761) (With Enclosures)

105-761

BPC:pm

...connection with Mrs. J. Grossman,
...Levest Street, Winthrop, Massachusetts,
...office of origin in a memo captioned
...Grossman, Mrs., Mrs. Joseph Grossman,
...Security Matter - R. ... review of this file reflects
...Grossman in 1940, lived at 146 Oxford Street,
...Cambridge, Massachusetts. It is possible the subject
...of this file is identical to Grossman, the sender of
...parcel to Russia.

In addition to the above, the use of this parcel
...service is classified for other information to
...Russia would be revealed through the use of regularly
...obtaining the receipts in question, as the receipts are
...received long after the shipment to which they refer is
...made. Ascribing the names of the senders and identifying
...them, besides being almost impossible, would be of little value
...to the Bureau in determining if the use of World
...Tourist Parcel Service is being put to illegal purposes.
...any person would be utilized to transmit classified or
...other information through this parcel service and it is
...possible that a person without previous espionage or subversive
...background would be utilized if the intention was to make an
...illegal transmission and circumvent the authorities.

The above is to be considered as including
...the use of this technique in particular cases where the need
...arises.

A copy of this letter and referenced letter with
...enclosures are being furnished Los Angeles, the Office
...of origin.

WLB

97-3090

BY SPECIAL MESSENGER

DATE: February 14, 1952

Director
Central Intelligence Agency
2490 Connecticut Avenue
Washington, D.C.

Attention: Mr. Almon W. Kirkpatrick
Assistant Director for Special Operations

From: John Edgar Hoover, Director
Federal Bureau of Investigation

Re: (a) J. P. MURPHY, (b) J. P. MURPHY,
Los Angeles, California, aka,
Round the World Tourist
REGISTRATION ACT
INTERNAL SECURITY ACT OF 1950

Reference is made to your letter of January 20,
1952, your file # 94DB-67113, requesting the loan of the
originals of the packet of receipts referred to in your
letter of November 26, 1951.

This Bureau is making inquiry concerning the
disposition of the packet of receipts in question, and
you will be advised upon receipt of the information.

JPC:DMU

61-6328-4
JUN 3 1962

JUN 7 1962

New York, NY

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (97-3030)

DATE: 3/12/52

FROM : SAC, New York (105-2916)

SUBJECT: WORLD TOURIST, INC.,
Los Angeles, California, aka:
Round the World Tourist;
REGISTRATION ACT;
INTERNAL SECURITY ACT OF 1950

Rebulet 10/2/51 and 2/11/52 and NY Let to the Bureau 8/8/51.

The Bureau is advised that the originals of the packet of receipts directed to the World Tourist, Incorporated Office, NYC, as referred to in the referenced letters, were immediately returned to U.S. Customs Service, NYC, after photostatic copies were made. The photostatic copies of these receipts were destroyed by this office after receipt of Bureau letter dated 10/2/51.

It is noted that Mr. IRVING RISHMAN, U.S. Customs Service, NYC, has advised that the receipts are not obtained on a regular basis. He said that, when the receipts are obtained from time to time, they are, after appropriate examination, forwarded to the World Tourist, Incorporated Office, NYC. He said that no records are retained at U.S. Customs Service, NYC, concerning the information contained in the said receipts.

WKS:DAW

NOT RECORDED
JUN 3 1952

ORIGINAL FILED IN

99-5030-23

RECORDED 40

107-5030

BY SPECIAL MESSENGER

Date: April 24, 1952

To: Director
Central Intelligence Agency
1430 E Street, N.W.
Washington, D.C.

Attention: Mr. Lyman E. Kirkpatrick
Assistant Director for Special Operations

From: John Edgar Hoover, Director
Federal Bureau of Investigation

Subject: WORLD TOURIST, INCORPORATED
2408 ANGELES, CALIFORNIA, aka.,
Around the World Tourist
REGISTRATION ACT
INTERNAL SECURITY ACT OF 1950

Reference is made to your letter of January 3, 1952, your file 100-47113, and our letters of November 30, 1951, and February 14, 1952.

As pointed out in our letter of November 30, 1951, the U. S. Customs Inspector, New York City, furnished a packet of receipts directed to World Tourist, Incorporated, which were furnished the New York Office of this Bureau. This is to advise that the originals of these receipts were immediately returned to the U. S. Customs Service, New York City, after photostatic copies were made. These photostatic copies were destroyed after information on the receipts was translated from Russian to English. You were furnished a copy of this translation with our letter of November 30, 1951.

For your additional information, Mr. Irving Fishman, U. S. Customs Service, New York City, has advised that the receipts are not obtained by that service on a regular basis. When they are obtained, they are, after appropriate examination, forwarded to World Tourist, Incorporated, New York City.

The information below is on the back
of the previous page.

See NY Lt of 3/12/52
attached, which (files
receipts in question
directed to world turnst
Inc. New York. This is
first indication that WTI, NY
is involved, therefore photostatic
copy of document correspondence
made for 61-6328 (WTI, NY)

RECEIVED BY
DATE 5-2-58
BY [Signature]
[Stamp]

DECLASSIFIED BY 4913
ON 2-25-78 R/L/h

ORIGINAL FILED IN

61-3030-229

61-6328-127, 128, 129, 130
CHANGED TO
134-435-55-57, 56, 60

FEB 26 1953

SAC, New York (97-13)

August 14, 1952

Director, ^{RECORDED} ⁹ 61-8328-131

WORLD TOURIST, INC.,
NEW YORK, NEW YORK
(Registration Number 405)
INTERNAL SECURITY ACT OF 1950
REGISTRATION ACT

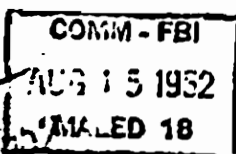
ReBulet 5-9-52 and 0-1 form 7-23-52, advising
a report will be submitted by 9-15-52.

For your information, the Department, by
letter dated August 8, 1952, requested any information
presently available on World Tourist, Inc., New York,
in order that its continued registration under the
Foreign Agents Registration Act of 1938, as amended,
may be solicited.

In view of the Department's inquiry, you
should make certain the summary report requested of
your office is submitted by September 15, 1952.

RPC:djb

Tolson _____
Ladd _____
Nichols _____
Belmont _____
Clegg _____
Glavin _____
Harbo _____
Rosen _____
Tracy _____
Laughlin _____
Mohr _____
Tele. Rm. _____
Holloman _____
Gandy _____



30 AUG 22 1952

RECEIVED
AUG 15 1952

cc - Mr. Belmont

Assistant Attorney General
Charles B. Murray

August 14, 1952

Director, FBI

WORLD TOURIST, INC.,
NEW YORK, NEW YORK
(Registration Number 485)
INTERNAL SECURITY ACT OF 1950
REGISTRATION ACT

APPROPRIATE AGENCIES
ADVISED BY ROUTING SLIP(S)
DATE 3-2-78 BY SP6

Reference is made to memorandum of August 8, 1952, from Mr. McInerney, reference JMM:WFF:JTC:amd, 149-5700, requesting information presently available on the captioned organization.

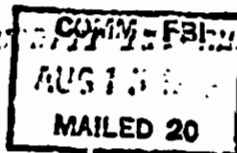
Under date of November 21, 1951, this Bureau referred to the Criminal Division the facts in the matter entitled, "World Tourist, Inc., Los Angeles, California, aka., Round the World Tourist." By letter dated February 11, 1952, the Criminal Division advised that a letter was being directed to World Tourist, Incorporated, New York, New York, inquiring as to the relationship, if any, between World Tourist, Incorporated, Los Angeles, California, and World Tourist, Incorporated, New York, New York.

By letter dated April 3, 1952, your Division advised that World Tourist, Incorporated, New York, New York, had filed an amended statement to its supplemental statement to the effect that it had ceased all activity on behalf of Intourist Limited, Moscow, Russia, during May of 1951. Upon receipt of this letter, a comprehensive review of the separate files maintained by this Bureau on World Tourist, Incorporated, New York, New York, and World Tourist, Incorporated, Los Angeles, California, was made. This review reflected that the business known as World Tourist, Incorporated, Los Angeles, is actually operating as Round the World Tourist, and future correspondence will bear this title. Investigation of World Tourist, Incorporated, New York, New York, and Round the World Tourist, Los Angeles, California, is being conducted for the purpose of determining the information requested in your letter of April 3, 1952. Further, it was deemed advisable to prepare a summary report for your assistance in the captioned case. This report and it will be furnished to you upon its receipt.

61-6320

RPC:djb

CC - 97-3030



DECLASSIFIED BY 4913 2/1/28

U.S. AUG 27 1952

UNRECORDED COPY FILED IN 97-3030

cc - Delmont

Assistant Attorney General
Charles D. Murray

August 19, 1952

Director, FBI

nk
ROUND THE WORLD TOURIST
LOS ANGELES, CALIFORNIA, aka,
World Tourist, Incorporated.
INTERNAL SECURITY ACT OF 1950
REGISTRATION ACT

Reference is made to my memorandum of August 14, 1952, in the matter captioned "World Tourist, Inc., New York, New York (Registration Number 405), Internal Security Act of 1950, Registration Act."

Enclosed herewith is one copy of the summary report of Special Agent Joe D. Abernathy, dated July 30, 1952, at Los Angeles, concerning Round the World Tourist. You will be furnished a summary report concerning World Tourist Inc., New York, upon its receipt.

Enclosure

97-3030

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF 8-2-52

DATE 8-2-78 BY [signature]

RPC: awy

DECLASSIFIED BY 4613
ON 8-1-78 A/V/h

cc - 61-6823

61-6328-✓
NOT RECORDED
81 AUG 21 1952

SECURITY INFORMATION - CONFIDENTIAL

DUPLICATE YELLOW

58 SEP 9 1952

ORIGINAL FILED 97-3030-3

61-6328-133,134
CHANGED TO
134-435-66,67

FEB 26 1953

SAC, New York (97-13)

October 15, 1952

Director, FBI (61-6328)

WORLD TOURIST, INC.,
New York, New York
(Registration Number 485)
INTERNAL SECURITY ACT OF 1950;
REGISTRATION ACT

Rebulet 8/14/52, advising you of the Department's
interest in this matter.

A check of the Bureau's records fails to reveal
receipt of the summary report to have been submitted by
September 15, 1952. You should immediately advise the date
of the report and the name of the reporting agent.

RPC:jfk

Note: Photostat of Ltr from
New York 8/29/52 in matter
captioned "JAMES GERALD MELTON"
Bufile 100-333698 was sent
to New York for case on RECORD-140
WTI, NY as mention of ACOS made
GOLOS & WTI's activities
10/19/52.

61-6328-135

OCT 16 1952
137

OCT 15 1952
COMM. FBI

79 OCT 21 1952

FILE DESCRIPTION

BUREAU FILE

Elizabeth T.
SUBJECT BENTLEY

FILE NO. 61-6328

SECTION NO. 5

SERIALS 136

THRU

136X

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ELIZABETH T. BENTLEY

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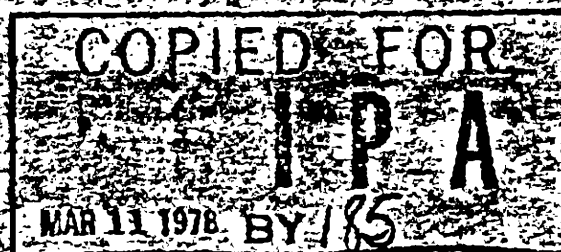
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SECTION 5
SERIALS 136-136X

Office Memorandum • UNITED STATES GOVERNMENT

TO : For the File

DATE: November 28, 1956

FROM : L. B. Nichols

SUBJECT: World Tourist, Inc. New York, New York

There are attached hereto pages 172, 173 of "The FBI Story, A Report to the People" by Don Whitehead, which contain data taken from Bureau file 61-6328-136

The information from the file was personally reviewed and declassified by me prior to the author's use of it in the preparation of the book and the clearance procedures followed in the book were approved by the Attorney General by appropriate notation on the Bureau memorandum of July 20, 1956, outlining procedures to be followed. (62-102693-90) The declassified data has been underlined in red on the attached excerpts.

For complete information concerning data declassified in "The FBI Story," see 62-102693-356

Enclosure

FCS:pwl

61-6328-136X

NOT RECORDED

2 MAR 6 1957

MAR 7 1957

The Department of Justice decision to prosecute was based on affidavits and statements given to the FBI which contained these allegations: A recruiting program in Detroit was directed by Philip Raymond, the Communist Party's candidate for Governor of Michigan in 1937. Raymond promised a salary of \$300 a month to those who volunteered to fight for the Loyalist cause. All expenses would be paid. Those who signed up were sent by Raymond to be examined by three doctors who were cooperating physicians on the staff of the Detroit Health Department. But these examinations weren't free. The doctors' fees were billed to the City of Detroit, not to Raymond. The volunteers who passed the physical tests were given transportation to New York by Raymond, who purchased their bus and railroad tickets from World Tourists, Inc., a travel agency operated by Jacob Golos, a well-known Communist who later headed a Soviet espionage apparatus. In New York, the volunteers reported to a contact who then arranged for passports to be issued under fictitious names or managed to have the men stowed away on ships sailing for France and Spain. Most of the Americans fought in the Abraham Lincoln Brigade in Spain. When they returned home some of them joined the Veterans of the Abraham Lincoln Brigade while their nonveteran sympathizers joined the Friends of the Abraham Lincoln Brigade.

*Excerpt from pages 172, 173
of "The FBI Story, A Report
to the People" by Don Whitehead*

61-6328-136X